January 3, 1950

The Reporter

RED CHINA – AND U.S. POLICY – *and other features*

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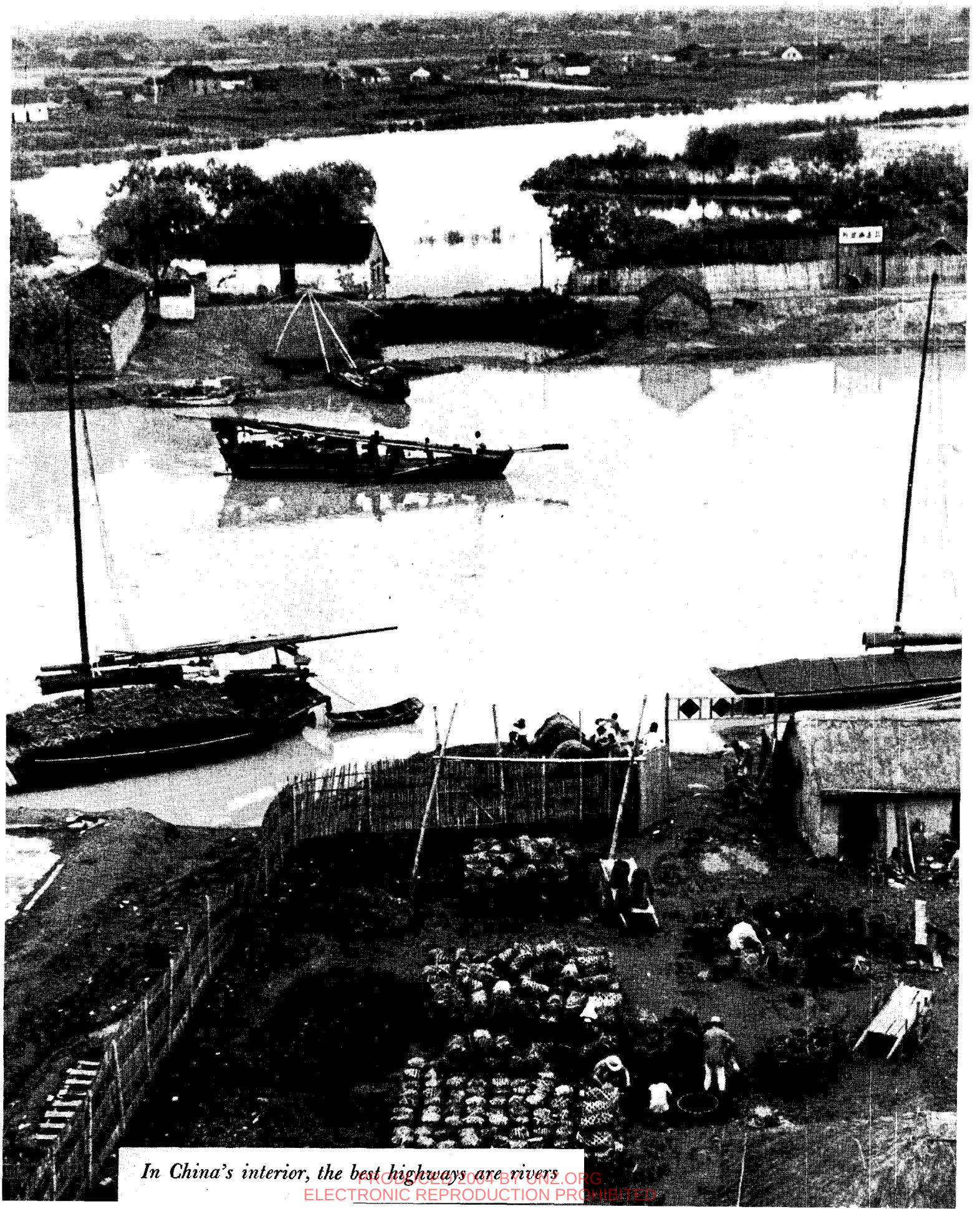

In China's interior, the best highways are rivers

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The Reporter
A FORTNIGHTLY OF FACTS AND IDEAS

January 3, 1950 Volume 2, No. 1

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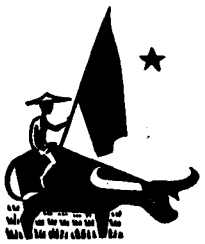

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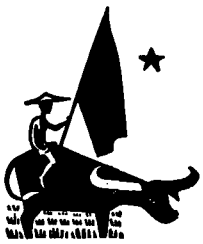
Editorial

A Plea for the Recognition of the U. S.



Here it comes—another Great Debate on recognition. The last one we had was on Soviet Russia. This one is on Red China: Should we recognize it? Now as then, the whirlwinds of discussion revolve around a distressing fact: The government of a foreign country has been taken over by men who don't like us, whom we don't like, and whose overthrowal we cannot foresee or bring about.

Several such governments exist, and new ones keep coming into power. We don't like the way the Soviet Union is governed, nor do we care for the rulers of the satellite states in eastern Europe or of Spain. But all these governments share this overcrowded planet with us and are our neighbors. In the case of Red China, the new rulers have won their civil war because they have passionate popular support and because of the ineptitude of the previous rulers, whom unfortunately we have helped.

Out of the Guest House

Until the last war, we could afford to behave like guest members of the community of nations. We were linked to other peoples by a common concern with morality and business, but we still liked to think that we were a world unto ourselves. We did not threaten anybody's independence, and nobody threatened ours. Until the very eve of the Second World War, we stayed out of the League of Nations and played with various experiments in nonrecognition of other governments. Because of our undefined international status and our unpredictable international behavior, we were not fully recognized ourselves nor counted upon as a steady force in the balance of power. For our part, at various times, we used to throw around the weight of our neutrality, and face a wayward government with nonrecognition loaded with moral reprobation.

Now, however, we are no longer house guests but managers in the community of nations. Our nation has been attacked, and can be attacked again at any time. War is no longer a deplorable thing that happens to others, or that we can enter to end war for all time. War—and the prospect of war—has become part of our lives. When there is no war, we must accept its only alternative, which is peace, no matter how precarious. We cannot keep a standoffish attitude toward a government we don't like. Either we fight it or we have to be prepared sooner or later to recognize it.

A Two-Way Proposition

Recognition, however, is a two-way affair. It implies mutually observed diplomatic rituals and a certain amount of mutual respect. Recognition of Red China implies an exchange of representatives. The Red Chinese diplomats will have no housing problem when they come here, for they will simply take over the embassy and the consular offices vacated by the Kuomintang diplomats. In return, the U. S. representatives who go to China should not be expected to lodge in jail. The Red Chinese must recognize the existence of the United States in a more considerate way than by kicking our diplomats in the teeth.

Some of the contributors to this issue of *The Reporter* describe how the Chinese have developed a taste for public confessions, in which past offenders against the people's interests kneel in shame and beg for forgiveness. In their mystical mood, the Chinese Reds might be inclined to forgive our government for the help it gave the Kuomintang if Mr. Truman and Mr. Acheson or their representatives were willing to kneel and confess. Decent diplomatic relations can be established—when the Red leaders understand that the establishment of these relations can be only on a strict "no-nonsense" basis.

The experience we have had with Soviet Russia and the satellite countries should have taught us that the relationship between the representatives of our democracy and the officials of a totalitarian power is likely to be strained and barren. Our representatives in a Communist country seldom, if ever, get to meet private citizens, and, even less often, can exert any influence on them. It is doubtful that the old China hands of our foreign service would be

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persona grata in Red China. Old Latin America or Scandinavia hands might have a better welcome, but, no matter who they are, our representatives in China are going to live somewhat secluded lives in buildings endowed with American plumbing. At least for some time, this kind of life is likely to be shared by our missionaries, businessmen, and reporters.

And yet, as full members and leaders of the community of nations, we have no way out but—in due time and when guarantees are obtained—to recognize the new Chinese government. It is more than a matter of trade or investments. In fact the American investment in China has always been modest—far smaller than the British. Ours is certainly smaller now than in 1930 when it totaled only about $196,000,000. As a matter of fact, at the moment private Chinese citizens have something like ten times as much money invested in America as Americans have in China.

The British themselves and some of our other closest friends are pressing us. Britain, because of its Chinese trade and the possession of Hongkong, cannot long delay the recognition of Mao's régime. India is ready to recognize it any time. Other countries are likely to follow. Mao is dealing with non-Communist nations in exactly the same way that John L. Lewis deals with mine owners. The hardest pressed are the first to sign up. It might not hurt Mao's and Stalin's interests if the United States were the last.

If we don't want to delude ourselves, we should avoid putting any great hopes in the immediate results of recognition. Perhaps we could do without another Great Debate now, and avoid a repetition of what happened before and after we recognized Soviet Russia. We do not need to have another Bill Bullitt go through a sobering experience at public expense.

Recognizing Ourselves

Like charity, recognition begins at home. The weightiest political fact to be recognized is the power of our own nation—that is, the power of ideas, wealth, and arms. This power must not be wasted in capricious forays; rather, it must be used as well-managed capital is used—to yield long-term dividends.

During the war, we spent our power with the prodigality that the emergency demanded. We defeated our major enemies and, for a time, ruled the enemy peoples. At present we are not in a shooting war with anybody, and that outworn metaphor "cold war" should not blind us to the difference between political and military conflicts.

In the current political conflict with Soviet Russia, we manage to reward our friends and punish our opponents. Indeed, we, the former arch-neutral and arch-isolationist country, are irritated by isolationist nations that play the mugwump role. But the fact that a government comes over to our side should not mean that we give it unlimited underwriting and, still less, that we endorse its internal policies. It simply implies a business relationship for limited purposes. Our political hostility to Soviet Russia has brought us strange allies and even stranger "co-belligerents"—like Tito and Franco. These are cases in which the old saying holds true: "May God protect me from my friends; I can take care of my enemies."

As long as the tools of our foreign policy are political and not military, we must be extremely careful in evaluating the assets and liabilities of those who are on our side and those who are against us. For our overriding aim is to gain the friendship of the people everywhere whether or not their rulers have aligned them on our side.

In this issue of *The Reporter,* Jack Belden writes about peasants in a Chinese village who have found in Communism relief from age-old exploitation and the first awakening of independence at the same time. There seems to be no cloud in the sky over that village, for the villagers cannot yet see how their radiant, newly acquired freedom may be taken away from them. On the contrary, there are a great many clouds in the skies over a large metropolis like Peking.

The prestige and the power of our nation are closely related to what will happen to these Chinese villagers. If they should keep their lands and learn how to improve their destinies and to rule their own community, they could develop institutions not too dissimilar from ours. Mao has freed them. But how long will it take Mao—the Moscow pilgrim—to choke off the freedom he has released?

Some day, these villagers will understand why our representatives have gone to Red China to live their grim lives. The remoteness of that day indicates how long the road is and how much there is to do in China, perhaps, but most certainly in the non-Communist countries of the Far East. For we have still a gigantic role to play in the awakening of the peoples of Asia. We can help them reach that kind of freedom which does not turn out to be a mockery—a gimmick of dialectical materialism. If we play this role, we do not have much to fear from Mao.

The recognition of Red China—when we come to it—will by itself be an event of no great significance, for ultimately we can scarcely avoid it. It will mean that we acknowledge the existence of a government with which we can do little business, and we pay our respects to the people of China whom we cannot reach. But if we understand the lesson of the Kuomintang's defeat, and our representatives in China keep their ears close to the ground, the recognition of Mao's régime may prove to be the beginning of a new policy in Asia and a step toward peace.

—MAX ASCOLI

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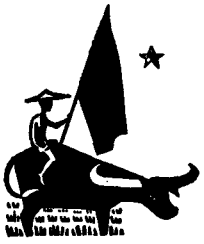
Close-Up of Revolution: Puritans in the Capital



When the Chinese Communists occupied Peking last winter, the old imperial capital's two million inhabitants had no clear idea what would happen to them. During the forty-day siege, the defending Nationalists had assured them—while exacting exorbitant "defense taxes"—that they could expect only a ruthless orgy of property-sharing and wife-swapping if the Communists won. The encircling Reds, however, had spiked this propaganda somewhat by supplying electricity to the city after capturing its big power plant in the western suburbs—probably the first time this has occurred in the history of siege warfare.

For more than a week after Peking capitulated, the Communists exercised a sort of invisible control. No troops came in. The former Communist underground merely expanded and became more active. Proclamations appeared on walls, and strangers visited offices to ask questions and leave instructions. The Nationalist garrison was marched out and the city otherwise prepared for its new masters.

Then one morning a Communist mayor, General Yeh Chien-ying, suddenly turned up at the municipal offices, alone and unannounced. He wore the plain cotton-padded uniform of a common soldier. City workers, accustomed to seeing new mayors arrive with brass bands and bombast, were called out into a courtyard for a quiet, informal speech.

"We have just come out of the hills," Mayor Yeh said, "so we know nothing about running big-city administrations. We must learn from you."

This humble approach was as disarming as it doubtless was intended to be. So were the Red Army troops who finally entered the city in a triumphant, day-long parade. They were disciplined and courteous, and lived up to their slogan of not stealing "a needle or a piece of thread from the people"—a welcome contrast to the departed Nationalists.

The Communists obviously wanted to avoid any immediate disruption in the city's life. Since they had neither the men nor the experience to manage this themselves, they had to rely on former Nationalist personnel. The way these stayed on their jobs and genuinely co-operated proved their weak faith in the former government as well as the appeal of the Reds.

The same policemen patrolled the streets; the same postmen delivered the mail; the same motormen ran the streetcars. Even a key technical administrator like the American-educated head of the North China Electric Power Corporation remained in his position.

Chinese stilt-dancers

One could hardly say, though, that Peking was not immediately changed. The ancient capital was expected to absorb the Communists as it had absorbed centuries of other conquerors, but it did not live up to expectations.

Skilled in mass-psychology techniques, the Chinese Reds transformed the easygoing spirit of the old city within a few days. The pattern was a familiar one. "Reactionary" newspapers were closed by "public demand," school children began singing catchy lyrics in praise of Mao Tse-tung, and the once-quiet *hu-tung* (residential lanes) echoed the din of an almost endless succession of parades, street dances, and public confessions.

I watched a public confession near my house one day and found myself comparing it to the camp meetings of our own revivalist sects.

This confessional involved a company of city policemen who had just completed a twelve-day period of self-examination—a favorite Communist pastime. During the period, according to the local press, they had sat in a group taking notes on their thoughts. The notes were exchanged among themselves for comment, and then revised drafts were discussed. The final drafts were read at the public confession.

Some of the police officers wept as they told how they had beaten ricksha pullers, accepted bribes, and tortured political prisoners. All confessions ended with the same fervid sentence:

"By sunning these poisonous thoughts, I hope to be rid of them for-

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ever and henceforth to serve the people wholeheartedly."

At other confessions, ward leaders stood up before neighborhood meetings to admit extortions, and various persons wrote letters to newspapers admitting hoarding foodstuffs. No violence was permitted against these penitents. Practically all of them were forgiven, and, if they were public servants, reinstated.

The confessional fervor extended even to Peking's parks, the pleasure gardens of the imperial past, where a casual flower picker, if caught, had to write a confession and post it, with his photograph, at the park entrance.

There were those in Peking who shook their heads and complained softly that all this was undignified. But they were a minority, and the Communists weren't interested.

They skillfully exploited both Chinese traditionalism and nationalism—much more so than had the "reactionary" Nationalists. They arranged their parades and other outdoor demonstrations around the *yang-ko,* a rhythmic, Conga-like Chinese peasant dance which took instantly with the city masses. They injected propaganda into the old Peking Opera and used traditional entertainers like the Bathhouse Guild's corps of stilt-dancers.

Nationalism was exploited with appeals to the basic Chinese feeling against foreigners. Foreign-language shop signs were denounced. Ridiculous, long-nosed figures representing foreigners appeared in almost every parade. The whole irritating history of foreign imperialism and unequal treaties was dragged out. The United States bore the brunt of all attacks. The Communists adopted a completely frigid attitude toward Peking's several hundred non-Communist foreign residents—an attitude quite opposite from the courteous wooing of the Chinese citizens of the capital.

A Nationalist officer retreats in comfort

This reversal of the former Chinese Red policy of warm welcome for all foreigners who showed the slightest sympathy was not immediately realized—especially by correspondents who had been assured by Chinese Communist representatives in Hongkong only a few weeks before that western newspapermen would be as welcome in Communist Peking as they had been in the old Red cave-city capital at Yenan.

I was one of the first to experience the change, when I tried to arrange a press conference with the new mayor for the Peking Foreign Correspondents Club. I had known General Yeh well in the old days, so I confidently wrote him an informal note. The note came back undelivered. I went to call myself but got no farther than the fur-capped Red sentry at the outer gate of the municipal compound. He raised his bayoneted rifle and said brusquely: *"Pu kwan wai-kuo jen"* ("We have nothing to do with foreigners").

When I left Peking months later, I still had not seen General Yeh—or any other responsible Communist leader.

Despite their efforts to ignore foreigners, the Communists showed themselves extremely sensitive to any foreign criticism. When two correspondents (one an Englishman and one an Australian) for American press associations suggested in some of their dispatches that the welcome of the People's Liberation Army in Peking had not been altogether spontaneous, they were attacked virulently for two weeks in the press, on the radio, and in schools and factories.

The Communists tacitly suggested through non-Communist Chinese that all might be well if the rest of Peking's seventeen foreign correspondents would join in denouncing the two "slanderous newsmen" and repent their own "sinful reporting." When this was not done, authorities banned all further foreign correspondence from North China "because of the military situation." The military situation by then had moved to the Yangtze, more than five hundred miles away.

Occasionally the campaign against foreigners ran afoul of endeavors to promote Sino-Soviet harmony. One day a zealous Chinese Red Army man discovered a foreigner beside him in a cinema and rose to harangue him.

"Don't you know you imperialists

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aren't welcome in our theaters any more?" he shouted.

"But I'm not what you think I am," the foreigner protested.

"Of course you are," the soldier said. "Anyone can tell from your high nose that you are a foreigner. What are you? American?"

"No," the foreigner shouted, "I am Soviet Russian."

The soldier hastily retired amidst howls of laughter. News of the incident spread quickly over the city.

The Communists soon began devoting more propaganda to overcoming the historic Chinese antipathy toward Russia. Youth was told to "learn from Russian youth." Workers were told to "learn from Russian workers." Soviet motion pictures were praised as "the only accurate and cultural motion-picture entertainment." Newspapers daily reminded the Chinese that they now belonged to the "anti-imperialistic, democratic peace camp headed by Stalin."

This constant hammering was effective. One day a Chinese friend of mine, whom I had always considered an honestly liberal intellectual, asked me seriously why I did not apply for Soviet citizenship.

The relatively mild behavior of the Communists — outside of their psychological excesses and their foreign bias—during their first weeks in Peking was misinterpreted by some as a sign of weakness, or at least of apathy. No capitalists had been shot, no wives swapped, few political arrests made, and there was little disruption of normal life.

Among those who misunderstood the Communists were the city's ten thousand or so beggars. They interpreted the Communist slogan about "turning over the body of society" as making them a new master class. They began setting a high minimum on alms they would accept and blocking shop entrances with their earsplitting noisemakers until the minimum was met. Shopkeepers called them "tiger beggars" and began closing up when they came in sight.

The Communists allowed this situation to go on for a time, then the *People's Daily News*, the party organ, carried a brief news item:

"The Peking People's Government has adopted a series of specific measures to liquidate begging in the city and to reconstruct beggars into productive members of society."

By the following day there was not a beggar to be seen. They were either in hiding or in "training camps." This was an amazing development in China, where begging is an ancient institution.

Black-market currency dealers also misconstrued the Communist attitude. When the Reds made no move against them in the first days of occupation, they grew even bolder than they had been under the Nationalists. They began operating openly by the hundreds at street corners, clanging silver dollars and waving U. S. banknotes.

When the time came to liquidate them, the Communists were a great deal more efficient than the Nationalists, who could usually be bought off, had been. First, swarms of plain-clothed police posing as currency buyers made wholesale arrests. Then those black marketeers still operating underground were ferreted out by using the arrested dealers as informers. Each man who would produce two other operators was offered his release. This, of course, produced a number of innocent victims, but currency speculation seemed to lapse.

Communist victory parade

Another group whom the Reds finally had to curb were the students, many of whom had been ardent Communist supporters long before Peking changed hands. They went on a prolonged holiday spree after the Red victory, but finally were "persuaded" to remain in classes except when called out for official demonstrations.

Back in school they demanded that certain courses, particularly English, be dropped. Then the party newspaper gave them a general lecture:

"The phenomena of disorderliness and non-discipline have occurred in not a few schools, obstructing students' studies. Quite a number of students wrongly think that all old courses and systems are undesirable. . . . Extreme democracy and nihilistic tendencies must be opposed and corrected."

Some tenants, too, misinterpreted the aims of the Communists. They stopped paying rent, thinking their landlords, like those in rural areas, would be dispossessed. The Communists advised them to pay rent again, as there was a difference between "city policy" and "country policy."

The Reds went to greater propaganda lengths about this with industrial workers, who were frightening owners into closing plants by demanding immediate sharing of factories.

"Some workmen with a comparatively low degree of awakening," the *People's Daily News* said, "find it difficult to understand why this cannot be done now. The answer has been given by Party Chairman Mao Tse-tung in his principles of New Democracy, which provides for the continuation of patriotic private capitalism until China has attained the industrial growth necessary for pure Marxian socialism. . . ."

This, of course, did not apply to those forms of private enterprise which the Reds judged "not beneficial to the national economy." As the first weeks of mild Communist control in Peking passed, the handicraft industries along Lantern and Flower Streets, famed for cloisonné, costume jewelry, and other elegant Peking arts, closed or took up sock weaving. Curio shops began stocking soaps in place of jade.

Shortly before I left Peking, Mayor Yeh apparently changed his mind somewhat about "learning" from the old municipal staff. He announced establishment of "a school for reforming the thoughts of city employees."

—James Burke

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Blue Plate Special

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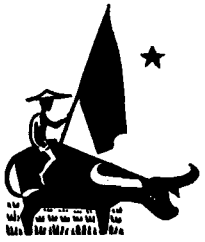
The 'Overturning' of Sesame Garden Village



Overthrowing a European government by a *coup d'état* at the top is perhaps an exact science when done by an efficient party of trained "cadres" with arms in hand. But making a revolution from the bottom up, village by village, as was done in China, is an inexact art that demands a world of patience, an infinity of cunning, and a bellyful of resolution. Such activities, if fumbled at, can become dangerous.

I think I can best illustrate the difficulty of making this type of revolution by telling the story of Sesame Garden, a village of four thousand people located in north Honan Province, between the Peking-Hankow Railway and a range of hills, old and redolent of Chinese legend, that are known as the Taihang Mountains.

As Chinese villages go, Sesame Garden is very large, being inhabited by 950 families. Nearly all of these people live in dwellings that are made simply from the soil of the north China plain, molded into adobe bricks, dried until they cease to shrink. The houses are cold in the winter and hot in the summer: When they become damp they crumble like candy houses in the rain. However, in the northwest corner of the village there are homes of a different sort: a group of imposing stone mansions, with many courtyards and splendid gardens. These, until recently, belonged to Chao Hung-pai, whose name literally translates as "Great Count Chao."

The grandfather of the count was a common farmer. One day a hundred years ago, a passing merchant stopped at his home, mysteriously took ill, and suddenly died. Grandfather Chao slit open the merchant's long-gown, discovered a hoard of silver hidden there, and with the funds thus obtained opened a pawn shop. Within a decade, by means of money lent at high interest rates and by foreclosures against mortgaged farm tools, crops, and land, the elder Chao had managed to bankrupt his neighbors and acquire a large estate.

The count's father and the count himself both added to the family fortunes. Within a period of fifty years Sesame Garden had changed from a village of independent peasant proprietors into a sharecropping community, almost the private preserve of the Chao family.

In order to protect its holdings, the family trained the count for government service. For thirty-five years the count followed the trade of bureaucrat, and by the 1930's he was chief secretary of the provincial government. While in office, as was traditional, he increased his wealth further by means of what he smilingly called "gifts from the people." He purchased coal wells in the fields surrounding his native village and bought small department stores in the neighboring towns.

The count lived in Sesame like a feudal lord. He owned more than forty per cent of all the land in the village. Three hundred and sixty of the 950 families were his tenant farmers, and they paid him fifty per cent of the grain crops they harvested every year.

To care for the needs of the thirty-nine members of his family, Chao employed forty-one hired laborers, numerous watchmen, a troupe of performing gymnasts, including a sixty-year-old strong man, four butlers, three major-domos, six grooms, fifteen slave girls, twelve old woman-servants, eight wet nurses, and fifteen cooks.

The count had a discriminating but enormous appetite. By the time he was fifty he weighed close to 250 pounds. At sixty, he had only two teeth, but still insisted on eating meat at every meal, even in time of famine. At seventy, he bought and married a twenty-six-year-old slave girl. When peasants slyly asked him why he married such a young woman, he replied with a disarming smile: "We love each other."

As he grew richer, the count drew away from his fellow villagers. They showed their resentment by dubbing him "Moneybags Chao." His half-starving tenants would sometimes remark: "The dogs of the landlord are prouder than we; they eat bread and drink *paikar*, while we eat husks." An old man living beneath the count's walls put this resentment into a song:

In a mansion by the spring
Lives a fat and greedy king—
Tables sag with food and wine;
Men may starve, but counts
must dine.

What is sorrow? What is pain?
Empty stomach; lack of grain;
Lonely nights; vacant bed—
Only wealthy men can wed.

The count was a scholarly man, with a kindly bent, and he was so far above the ordinary people that they could never summon up a direct personal enmity toward him. That emotion they reserved for the village loafer, a man named Raingiver Wu, who smoked opium and had so many other bad habits that he was called "Rascal" Wu.

Wu had originally been one of the poorest men in Sesame Garden. In 1938, when the Japanese Army in-

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vaded this part of China, the people of Sesame were terrified and refused to come out of their houses. To meet this situation, Count Chao called a meeting of the Committee of Thirty Families—a group of village trustees composed of landlords and rich peasants—and proposed that Wu be made village chief. "Wu is so rascally that only he can deal with the Japanese on their own low level," reasoned the count.

But the count, like the industrialists of Germany who backed Hitler's rise to power, was not able completely to control the village ne'er-do-well. With Japanese aid, Wu quickly became head of a district in charge of many villages. After that he organized a troop of a hundred men, armed them with rifles obtained by means of a "self-defense tax," and gave himself the title of commander-in-chief. Then, having both civil authority and armed power, he began to squeeze the people of Sesame.

If the Japanese placed a hundred-pound grain levy on the village, Wu would raise it to 150 and keep the surplus. Or, seeing a middle-class farmer at work in the fields, he would say: "My grandfather on his deathbed told me your family owed him this land. You must give me half and pay back your debt." In this manner Wu built up an estate of fifty acres—a very fine holding in land-poor China. To increase his prestige, he built two stone mansions, each two stories high.

Previously, when he was poor, Wu had had a wife and son, but they had left. Now that he was rich, he began searching for another wife, and his eye fell on the most beautiful girl in the village—Silver Blossom, the twenty-three-year-old daughter of a middle-class farmer. Though she was betrothed to another man, though she despised Wu, and though her family did not want her to marry a man of forty-five with such an unsavory reputation, Wu quickly overcame all difficulties by arresting her father and imprisoning him.

In order to forestall any future retaliation, shortly after the wedding Wu had his "blackshooters" (assassins with grease-blackened faces) kidnap his father-in-law and kill him outside the town. In all, forty-two villagers, who had first been squeezed dry by "Rascal" Wu, were murdered, and their bodies thrown into one of Count Chao's coalpits. The people nursed their resentment by making up secret verses about Wu also:

With knives in both his hands,
At back of door he stands.
Give me all you've got.
Get away you'll not.

During the Japanese War, under the open attacks of Wu and the traditional overlordship of Chao, every branch of life in Sesame Garden began to collapse. The count, unlike Wu, was a Chinese patriot: He refused to have anything to do with the Japanese. But he was so clever in watching his own interests that he lost little during a war in which millions suffered. Chao's tenants had to pay their grain rents in advance before they could do any planting. As a result, when they brought in the autumn harvest they had to sell it immediately to get ready for the next year's planting. When winter came, the peasants had nothing to eat.

At one time, the Japanese placed a levy of six *catties* of cotton on each *mow* of land, but the Thirty Families told the peasants the tax was twelve *catties*. They then sold the surplus at exorbitant prices to those peasants who did not grow cotton. Some farmers had no money to buy cotton to meet the levy, and Wu and his soldiers raided their homes, tearing the cloth from their quilts and making off with the cotton lining. Some families froze to death in their beds.

In 1945, the Japanese Empire surrendered, but this meant little to the people of Sesame Garden Village. True, they saw the enemy garrison leave, but taxes were still exorbitant, fifty per cent of the grain still went into the landlords' hands, and the blackshooters still terrorized the village.

Such was the condition of Sesame Garden Village when four cadres of the Eighth Route Army descended from the Taihang Mountains.

These cadres were not soldiers; they were not armed; they were not members of the Communist Party. They were all students who had but recently fled from Chiang Kai-shek's areas. Though they were sent by the Red Army, they were all very inexperienced. Their job was to "overturn" Sesame Garden Village.

"Overturn" has been the biggest slogan of the revolution in rural China. In Communist terminology, it means to turn over the social, political, and economic life in every village, to overturn feudalism and establish democracy, to overturn superstition and establish reason. The first step in the "overturning movement" is to "struggle against" the landlords and divide the land.

When the young cadres first arrived in Sesame Garden they posted proclamations of the "Liberated Areas" government announcing that every village had the right to elect its own officials, and that land rents and rates of interest should be reduced. The startled landlords consulted their bailiffs. "Just pretend you agree with everything," said the bailiffs. Whereupon they went to the cadres, in the guise of common peasants, and suggested that a farmers' association be organized to struggle against "evil elements."

The cadres were completely fooled. Believing they were dealing with "progressive" peasants, they participated in a mass meeting which, unknown to them, had been organized by the henchman of "Rascal" Wu. During this meeting, some of Wu's blackshooters, posing as impoverished farmers, made impassioned speeches against a group of middle-class peasants, accusing them of lending money at high interest rates and of various other crimes. When the rest of the village saw what was happening, they immediately began to hold aloof. But the inexperienced cadres were so impressed that they reported back to the county government that they had been completely successful. When they had gone, the landlords secretly congratulated their bailiffs but told the people: "From ancient times till now, every government has grafted. Don't expect anything else from the Eighth Route Army."

Unknown to the landlords, however, the county government of the Eighth Route Army in the Taihang Mountains decided to make Sesame Garden a model village. Five cadres, more experienced than the first student group, were chosen for the job. The leader of this second group was the son of a bankrupt farmer, named Tang Pi-ling.

When Tang and his workers came down from the mountains and entered Sesame, they were greatly surprised to find the people unfriendly. Whenever a cadre approached a group on the street, it would disperse. When they

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'. . . many of them had accepted the idea . . . that it was their fate to be poor.'

visited a farmer, he would look at the ground and mumble: "It's dangerous to me if you are here. Please go."

Tang decided not to call any more mass meetings, but to seek out some of the poorer villagers and speak to them.

One day a poor farmer, named Crooked Head, who owned one-third of an acre of land, was carrying manure to the fields and Tang pursued him and helped him spread it.

"You know that the policy of our government is to increase the pay of the workers and get the farmers a better living," said the cadre. "Why then do you run away from us?"

"Let me tell you some words from my heart," said Crooked Head. "Who can speak and who can act? Many people have been killed in our village." He then told Tang the story of Raingiver Wu. "The killings are all by black-shooters. No one knows who they are. But Wu is still here. Who dares speak?"

"Why not?" said Tang. "You have your own farmers' association."

Crooked Head laughed bitterly. "The landlords' dog-legs are running the farmers' association. They are all running in an inner circle. Except for such people, who dares do that kind of work? Before you came, the landlords told us if we struggled we would be cheating them."

"Listen," said Tang, "get some of your friends and come to a private meeting tonight."

That night Crooked Head brought four friends to a secret meeting. With farmers brought by the other cadres, there were perhaps twenty men.

"We are going to talk poor-people talk tonight," said Tang, opening the meeting. "Some of us have been poor for several generations. But just look how rich the landlords are! What is the reason for this difference?"

The farmers looked down at the ground and would not answer. One tentatively said: "The reason we are poor is because our fathers left us no inheritance like Moneybags Chao."

"Were our grandfathers bad men?" asked Tang. "Did they smoke opium?"

"No."

"Were they able to cultivate land?"

"Yes, of course."

"Well, look at Wu. His father left him nothing. Why is he rich now?"

"Ai! Who doesn't know how Wu got his money? He has a good fate. Our fate is bad."

"Well," said Tang, "suppose we don't work for Wu and Chao, don't give them food, just let them stay there. Can they live? If so, their fate is good. If we have wheat flour and can't eat or digest it, or if we have clothes and can't wear them, then our fate is bad. Otherwise you can't blame fate."

This argument particularly interested the farmers, because some of them were in the habit of burning incense at the Temple of the God of Fate, and because many of them had accepted the idea, instilled by the landlords, that it was their fate to be poor. Now one farmer replied, "You are right. If the landlords received nothing from us,

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they would all be dead in seven days."

"Then do you still think the wealth of the landlord comes from his father?"

Faces wrinkled with sudden grins. "No," said the farmers, "for if that is the case, we are all the fathers of Count Chao."

"Then is it true that the settlement is only to cheat the landlords?"

"No, it is only natural that we should settle with the landlords."

"Well, if it's natural, shall we make a settlement?" asked the cadre.

The farmers stared at the ground. Then a peasant with a scraggly beard got to his feet and faced them.

"Look at these wrinkles," he said, "and tell me whether I am old. As long as I can remember I have been treated like a mule or an ox. But I am not an animal nor are you. We are men. We must act like men. If we do not struggle when these cadres are here to help us we shall never be able to struggle."

This speech by one of their own kind excited the gathering. At midnight, the twenty farmers reached a conclusion that the time had come for their revenge. They swore a solemn oath: "We will turn over. Even if Chiang Kai-shek's troops come we will turn over. If only for a day we will turn over."

Tang clenched his fist. "Now we are together!" he said. "But twenty men are not enough. We must mobilize the whole village. Go home and tell your friends and relatives."

Despite oaths of secrecy, the landlords had immediate word of the meeting, and within an hour Count Chao came in person to the cadres.

Since the arrival of the first cadres in the village, the count had been acting strangely. Instead of dressing in expensive silk long-gowns, he now went about in cotton pants and jacket, bareheaded, and without his cane. When the cadres asked why he dressed this way, he answered: "To get close to the people." When the villagers put the question to him, he replied: "I dress like this so you won't struggle against me."

Now he stood before the cadres with a curious smile on his face. "I heard the peasants intend to struggle against the landlords," he said. "But I want to tell you I approve of the new government. I agree with Mao Tse-tung that tillers should own the land they cultivate. But I have so much land I don't know quite how to put it into the hands of the people."

The cadres, nonplused, could do nothing but take the count at his word. "The common people," Tang explained, "do not demand land from you. They want to make a settlement of the debts you owe them. We shall leave you land. Do not be afraid."

"All right, let me wait patiently," said the count.

Whether the count had seen the handwriting on the wall and was making a tactical retreat, whether he had undergone a kind of religious conversion, or whether he had just grown too old to play the role of lord of the manor any longer will never be known. In any event, his attitude confused his fellow landlords, destroyed their self-confidence, and in particular frightened "Rascal" Wu.

Wu had never been able to break the count's secret hold on the village, and when he heard of Chao's statement to the cadres, he fled panic-stricken into the night.

After Wu's flight, the poor of Sesame Garden came more boldly into the open. Now two hundred met in day-long Speak Bitterness Meetings.

Speak Bitterness Meetings—where people publicly pour out their grievances to one another—have been one of the chief psychological weapons of the Communist Party. An old saying in this part of north China that "a poor man has no right to talk" was literally true. Often a poor man possessed no name at all, and was merely called by some aspect of his physical features. For such a man to stand up before his fellow men and pour out his sorrows constituted by its very nature a revolutionary break with the past. In the same moment that he burst through the walls of silence that had enveloped him all his life, the peasant also tore asunder the chains that had bound him to his landlord and to the past.

The effect of such meetings on Sesame Garden was especially intense, because of the abnormal number of tenant sharecroppers and because of the desperate conditions under which they were living. One story of sorrow and cruelty led to another, and scores of grown-up men and women wept publicly. By such methods the poor of Sesame Garden Village began to identify themselves with each other and even to acquire a class consciousness, just as the Communist Party wished.

After these meetings, Sesame Garden was swept by what is perhaps best described as a convulsive mass passion. From the two hundred most daring sharecroppers, the revolutionary infection spread rapidly through seven hundred families. Casting all caution aside, groups of peasants, armed with hoes, clubs, and spears, burst into the courtyards of the landlords, arrested them, and locked them up.

With two-thirds of the village fully mobilized, the cadres advised the local leaders to proceed against the landlords at once. The next day a Struggle Meeting was held in a great field south of the town. Three thousand men and women, carrying food and water with them, gathered on the meeting ground.

Crooked Head stepped before the crowd. "Today is our Turn Over Meeting," he said. "The sky is clear for us at last. Those who have bitterness, reveal it. Those who want revenge, let them get it!"

"Bring the landlords here!" a farmer shouted. "Let them get on their knees before us."

A shiver of apprehension raced through the audience as the landlords were led onto the field. They had been divided into two groups: ordinary landlords and "sinful" landlords. These last were made to kneel in front of the crowd. The others, among them Count Chao, were allowed to remain standing.

One by one the farmers leveled their accusations. Each plaintiff stated his own name and that of the man he was "struggling against." Clerks were present to write down their words. In the course of the morning and the afternoon the crowd accused the landlords of many crimes; betrayal of resistance members to the Japanese, robbing them of grain and cotton, forcing them into labor gangs, starving tenants to death, beatings, and many other things.

After several hours, Count Chao was brought before them. An old woman stood up and yelled: "You have so much land and you are so fat—how is that? It is our flesh you are wearing!"

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The crowd, inflamed, screamed at him. "Kneel! Kneel!"

The count knelt.

The first to confront him was a young widow, the mother of two children, who earned her living by spinning cotton. "Look at me," she said. "I am a woman. I have no man and no land. In one year I cannot harvest two *catties* of cotton. Yet the trustees taxed me five *catties*. When I could not get it, they forced me to give my children to labor for them. I am a woman, but I have to work like a man. Sometimes I am weak from hunger and I cannot work well and then I am beaten . . . Is it not bitter for me? Should I not settle with him?"

The crowd shrieked approval. "Settle with him! Settle!"

The accusations continued, and over a period of two days 143 people "struggled against" Landlord Chao. At the end of all the accusations, Chao was asked if he admitted the charges.

"All those things you have said are true." Chao's voice was humble.

"How did you become rich?" asked a tenant.

"I became rich because I ate your blood."

"What is your heart made of?" screamed a woman.

"I have a black heart."

"Do we deceive you when we make a settlement?"

"No, it is only just to settle with me."

Appeased by this self-abasement, the villagers released the count. During the next few days a farmers' committee reckoned that the thirty trustees owed the village thirteen thousand *piculs* of grain as payment for their extortions during the previous five years. The landlords were also to repay the tenants twenty-five per cent of one year's land rent. After that the land was to be divided.

When face to face with the angry masses the landlords had acknowledged the justice of the debts, but later, when the farmers' committee came to collect payment, the landlords became more daring and said they could not pay what had been ordered.

The tenants were enraged. "You stole so much from us. You are so rich," they said. "Where did it all go?" With hoes on their shoulders, they marched four hundred strong into the homes of the landlords and carted off furniture, jewelry, and furs, which they put in a field and then publicly divided.

Among all the landlords, only Count Chao did not seek to hide his wealth. "I am old and cannot live long," he said. "What is the use of keeping these things while others are starving?"

Later, when the village was calm once more, a Criticism Committee was organized to make a temporary division of the land. There were five categories of farmers. The completely destitute and the poor were given land and grain immediately. Low-middle, middle, and upper-middle farmers divided some of the surplus grain of the landlords and some of the furniture. Originally four hundred families in Sesame Garden had no land, but now every one of them received land.

After the "settlement" was completed, the cadres organized the peasants into mutual-help groups to reclaim wasteland. In three days wild grass was cleared from more than fifty acres. The fields left to the landlords were also covered with wild grass, but the farmers refused to form labor co-operatives with them.

For the first time, the cadres opposed the common farmers. "You should know," they said, "that the policy of our government is to give everyone enough to eat. If wild grass grows on the landlords' fields, their crops will be poor. So we must form labor co-operatives with these men also."

After the work was finished a landlord said to the cadres, "I was afraid that the people would struggle against me again and again. But now that they have begun to work with me, my heart is quiet, and I can work hard."

Many former tenants, however, were afraid that the landlords might again become rich. Again the cadres delivered a lecture. "You know," said Tang, "we settled with the landlords because they received a surplus from the labor of other men. We do not mean that rich men are bad. If a man gets rich by his own toil that is very good."

Count Chao at first wanted to give up all his land, but the cadres would not allow this. "We do not want anyone to starve," they said: "you are too old to work as a laborer."

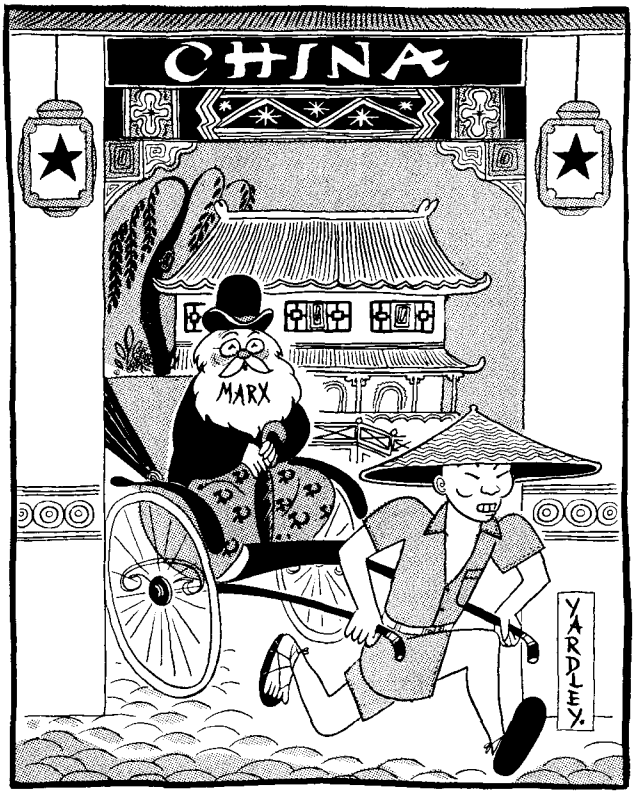
Though the other landlords were not left more than two or three *mow* of land, the villagers let Chao keep seventy *mow* because of his patriotism in the war.

And now the watchmen, the gymnasts, the slave girls, and the wet nurses have all gone, but the sixty-year-old strong man remains. He and the count eat together and joke about their weight.

The count was allowed to keep three shops, a cigarette factory, and a small department store. A portion of one house has been left him. There are four persons with him; his daughter, one personal servant, the strong man, and the slave girl who became his wife. The count still says: "We love each other."

According to the latest reports Count Chao has an important position in the provincial government.

—Jack Belden



The Open Door

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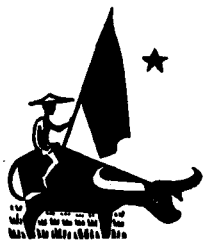
Mao Tse-tung As I Know Him



Mao Tse-tung has been the leader of the Chinese Communist Party for two decades. Today, at fifty-six, he is the president of the world's most populous nation. By multitudes of peasants, he is called "the saving star." In the strange, tight, iron brotherhood of his own party and army he is simply the *chu hsi,* or chairman.

Mao's authority is immense, but it would be a mistake to attribute the cataclysmic events in China to any single leader. Mao is not the creator of the Chinese revolution, but its creation. Because he learned how to control its forces for practical ends, he finds himself today at the apex of a system of power which guides the destiny of half a billion men. He is the first Chinese since the Ming Dynasty collapsed to unify his country under a single command. Chiang Kai-shek, to whom this feat was prematurely credited, never managed it. Chiang's armies were never united and his régime at its best never controlled more than half the country. The regional warlords were never wiped out by Chiang. Today the last of them are being obliterated. Occupation of the few remaining warlord and nationalist bases, including Hainan and Formosa, is inevitable.

The revolt Mao Tse-tung leads has many precedents in Chinese history, but it has already brought about broader economic and social changes than any other upheaval in the last two thousand years. He has proved to be a military strategist without peer in China, and as shrewd a revolutionary strategist as any in the world. Lenin "seized" power from a government that collapsed at the center. With Moscow and Petrograd behind it, the Bolshevik revolt spread to other cities and thence to the rest of the people. In China, the cities could not be "seized" from within. Mao Tse-tung accomplished the far more difficult task of organizing the people on the periphery, arming and training them, and encircling Chiang's capitals.

Ideologically as well as politically Mao is a figure of international influence. He has written pragmatic interpretations of Marxism that contain lessons of new and unpredictable consequence. He has demonstrated that Communists can secure victory without following the Soviet pattern, and indeed without any "direct support" from Russia. He is the first avowed Communist to prove that the revolution can succeed, in a backward country, with the peasantry as a main force, and without proletarian insurrections, if it wins or even "neutralizes" the majority of the middle class.

These are matters of portent. As a result, Mao and *Mao Chu-i* (or Maoism) represent quite a new force in the Communist world. For the first time Communists outside Russia have won control of a major power without giving up territorial or administrative independence, and without sacrificing their national interest to the interests of Russian chauvinism.

I first met Mao Tse-tung during the eventful summer of 1936, in the tiny walled village of Pao An, far up in the soft, tawny, loess hills of northern Shensi, near the cradle of Chinese civilization. Chiang hoped to make these hills the burial mound of his Communist opposition. Ever since 1927, he had been fighting a war to "exterminate"—his word—the Communists, and at last triumph seemed near. The Communist bases in south China had all been smashed. The remnants of the once formidable Red Army, chased through twelve provinces on the six-thousand-mile retreat called the Long March, had crossed the tallest mountains and deepest rivers, rolling down from the marches of Tibet onto the grasslands of Kansu. They had suffered terrible losses; probably not twenty thousand gaunt survivors reached the little Red stronghold in the north. And as they regrouped in those narrow-creviced valleys, Chiang Kai-shek brought up fresh forces and renewed his plans for "final annihilation."

At that point some Chinese friends helped smuggle me through the Nationalist lines and into the Red districts, where I walked three days to come to the headquarters of Mao Tse-tung. No correspondent had yet seen him. As we sat on narrow wooden stools in the bare, mud-walled, candle-lit cave in the side of a cliff that was his home, bomb shelter, library, and war office, Mao gave me more than an interview. I received lectures on ancient and modern Chinese history, on revolution, on Chinese Marxism, on the dialectics of Mao's own evolution and that of thousands of others—and a remarkable forecast of the Sino-Japanese and the great Pacific wars.

His predictions all showed vast confidence in the future, both for his followers and for China. On the surface, his position looked hopeless. Afterward, I traveled for weeks among peasants, among workers in primitive "factories," and with the Red Army at the front, and everywhere I found optimism in the leaders and warm re-

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lations between them and the people.

It then seemed to me that Mao had gotten hold of the great unused secret weapon of China: the power of the people mobilized and armed in the conviction that they could better their lives in every way by their own efforts. And I began to think that Mao would never be defeated by anything less than the same weapon. I realized that the Nationalists differed from the Communists primarily in that the former would always maneuver to exclude the peasants from politics—they never held a democratic election in so much as one county—whereas Mao *had* to find ways of getting the peasants into politics, and into an active struggle for satisfaction of their immediate, pressing needs.

"Whoever wins the support of the peasants will win China," said Mao. "Whoever solves the land question will win the peasants."

Land—that was the issue. Chiang Kai-shek dared not tamper with the land system, and unfortunately, it remained the most important political fact in China. The equalization of land ownership and the expropriation of landlords will not in themselves revive China—the Communists have never denied that—but they knew from the beginning that it would swing the balance of political power.

The first time I saw Mao he was walking down the broken little street of Pao An, listening to a peasant who had a tale of woe. By that time he had trudged many thousands of miles across the dusty lanes of rural China. For centuries China has not been ruled by men who know so well the highways, the byways, and the remote corners of the Chinese earth. While Chiang Kai-shek tried to pursue them in American planes, Mao, Chu Teh, and their ragamuffin army of "mad" youths, many still in their mid-'teens, waded in the rice paddies and through the tall wheat, in and out of hundreds of villages and towns, haranguing the peasants in the fields, persuading, listening, slowly learning how to revise doctrine to fit facts, and how to make more allies than enemies. "We are the fish and the people are the water through which we move," said Mao.

Mao himself was born a peasant. He is tall for a Hunanese, about five feet ten, a bit bent and round-shouldered now. He moves with an easy, deliberate pace, and there is something vaguely feminine about his gestures. His pale, flat brown face is smooth except for a few hairs straggling from a mole on his chin. His head is rather large, and covered with thick black hair which he often allows to grow long; beneath it are large, expressive eyes that can mask his feelings or light up with sudden laughter. When he told me of his life he made many cogent witticisms about his associates, but he did not spare himself, either.

Some of his story may help explain today's China. Mao divided it for me into the various political periods, or metamorphoses—Buddhist, monarchist, republican, pacifist-idealist, democrat, anarchist, socialist — through which he went before, at the age of twenty-seven, he became a Marxist and, in 1921, joined the Chinese Communist Party at its foundation.

Mao's mother was illiterate and his father virtually so. But they owned three acres, and were "prosperous" enough to send a gifted son to the village school. The old man was a harsh disciplinarian and frequently beat Mao and his two brothers. They all hated him, and when Tse-tung was ten he ran away. Hauled back, he continued to resent his father's tyranny. By contrast, Mao remembers his mother as "kind and generous." She sided with her sons and was their "ally." She was a devout Buddhist and for some years Mao too was religious. His father was an unbeliever.

When Tse-tung was fourteen his father married him off, against his will, to a girl of twenty, and tried to make him become a farmer or a rice merchant. But the boy was curious about the world, lacked the slightest interest in his wife, with whom he never lived, and was determined to continue his studies. With his mother's help he got to a relative's home in a nearby town,

where he finished lower middle school. From there Mao went to Changsha, the capital of Hunan province, and for five years attended the Hunan Normal School. He graduated with honors in social sciences and classical literature. In the same year his mother died and he turned his back on his father's home forever.

Cut off by his father, Mao helped recruit students and workers for the Chinese labor battalions that were sent to France to win the First World War; in that way he got funds to reach Peking. He almost went to France himself. At the last moment he decided that he did not know enough about China. It turned out to be the only chance he ever had to go abroad until his visit to Moscow a few weeks ago.

In Peking Mao was swept into the New Youth and the "cultural renaissance" movements, whose tides soon spread across all China. Lacking money for tuition fees in Peking National University, he worked as an assistant in the library—a job "so low," he says, "that people avoided me." But he read more history and literature, formed lasting friendships, fell in love with the daughter of his favorite professor, and married her. This was Yang K'ai-hui, who also became a Communist. Mao presently became a newspaperman and editor, then an agitator, and finally began his career as a revolutionary.

Yang K'ai-hui was executed in 1930, along with Mao's sister, under Chiang Kai-shek's law providing death for Communists. Mao's younger brother was decapitated in Hunan; his other brother was killed in Sinkiang.

Mao's second wife was a schoolteacher, from whom he was divorced in 1937; they had one son, who is now with his mother in Russia. Mao's present wife is a former Shanghai cinema star, who joined the Communists during the war against Japan.

The childhood and early student days of Mao tell much about him and thousand of others like him, who eventually gathered together on the mountain top of Chingkanshan, to "build a new world." His father's tyranny symbolized the feudal authority which the age rejected. Mao learned early, he said, that "when I defended my rights by open rebellion my father relented, but when I remained meek

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From Buddhist to Marxist in eight easy stages

and submissive he only cursed and beat me the more."

Meanwhile, his mother taught Mao the value of "indirect attack, which is the Chinese way." He formed a "united front" (his phrase) with his mother and his brothers, using a combination of "rebellion" and "persuasion" to overcome the tyrant-father. In the family circle, then, he first learned how to overcome "superior force" by the art of tactical maneuver.

The rebellious tendency, sharpened by his father's severity, led Mao to read secretly the exciting military chronicles and historical novels of ancient China. These were such books as the *San Kuo* (Three Kingdoms), the *Shui Hu Chuan* (All Men Are Brothers), and the *Yo Fei Chuan* (Yo Fei's Biography), "forbidden" to young people because they supposedly stirred up idle dreams and dangerous thoughts. These books about rebellious warriors and famous heroes contain marvelous descriptions of military strategems and tactics, as well as ethical dialogues. The same books inspired Chu Teh, Ho Lung, Nieh Jung-chen, and other close associates of Mao, long before any of them read the *Communist Manifesto*. Mao's speeches are peppered with quotations from these tales, so well known to the people through the story-tellers and the theater.

Mao Tse-tung witnessed several rice riots in Hunan at a tender age. He saw starving peasants loot their landlords' granaries; and he saw peasant leaders beheaded. One suspects that Mao's instinctive sympathy with the rebels derived not so much from his own peasant origin—his father was also a rice merchant—but from his mother's gentle Buddhist teachings. He told me that his reaction at the time was simply that the landlords were "morally wrong." One such riot developed into a local insurrection against Manchu rule, and so Mao began to think of justice and ethics in political terms while he was still in grade school.

Mao's school days coincided with years of wide confusion in China. The Manchu Dynasty collapsed from inner rot before Chinese society had anything to replace it. Youths were suddenly called upon to solve problems which had in the past been automatically decided. It was a time of experiment and improvisation, and Mao's intellectual flexibility, his ability to change his mind, his distrust of cant and dogma, go back to this early period. He saw bewildering shifts occur in politics, but he noticed that they were alike in one respect: The rich with arms always defeated the unarmed poor.

As a student, Mao spent his summer holidays (he refused to go home) hiking across rural Hunan. He learned that if he helped the peasants they fed him and sheltered him, talked intelligently to him, and treated him as an equal. He organized a group of students to make long trips with him. They too came to feel secure with the people. When Mao became a political leader, years later, it was logical for him to go back to the farmers he had known as a boy. Among them he organized the first peasant unions of China, built up the first Red Army units, and began his country's first attempt at a socialist republic.

In the early days of Chinese Communism Mao was almost alone as a believer in the efficacy of peasant partisans. After Chiang Kai-shek expelled the Communists from the Kuomintang, in 1927, and massacred them in the cities, Mao insisted that the urban working class could not be organized again until the peasantry was armed. The central committee of the party wanted "proletarian insurrection," and Mao was expelled. He ignored his ex-

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pulsion, and built the rural bases to which the committee itself later fled. Mao led many detachments in battle. Starting with only a few rusty rifles, he and Chu Teh armed thousands of peasants and developed great ingenuity in guerrilla war—the art of "being everywhere and nowhere." In three years they had an army which challenged Chiang Kai-shek for control of south China.

Stalin's Comintern at first opposed Mao's leadership. Later it sent "advisers" to act as super-minds. In 1934 the last of these was held responsible for the major military and political disasters which forced the Communist retreat to the northwest. He was court-martialed by the Chinese Politburo, and he went back to Russia. Since 1934, Mao's supremacy in the party has not been seriously disputed.

Many of China's present Red leaders have loyally supported Mao for twenty years, and their ties are extremely close. Schisms, splits, purges, and executions, on the Russian scale, have not occurred under Mao. His ability to outmaneuver or win over opposition within the party, and his readiness to recognize mistakes, accept facts, and change his own views before others change theirs is one explanation. Another is the rare trust and confidence that exists between Mao, as political mentor, and Chu Teh, as commander-in-chief of the armies. For years many people thought that "Chu-Mao" meant a single person.

If there has been no jealousy between Mao and Chu, it is likely due as much to the latter's humility as it is to Mao's tact. Mao is not the uninhibited extrovert that Chu Teh is. His dignity would not permit him to go along with Chu Teh when the latter played basketball with the troops, or to hop about a dance floor with girl students. Like the commander-in-chief, however, Mao worked in the fields on his land allotment in Yenan to grow food for his own table.

Mao is not a blusterer; he never shouts; he rarely loses his temper and never acts on impulse. He has a soft conversational way on the platform and uses few gestures. More often he encircles a subject with sly logic rather than with emotional appeals. He is skilled at coining earthy phrases which stick in men's minds; he is a shrewd judge of an audience, and sizes up individuals quickly and sometimes quite wittily. (It was he who nicknamed General Hurley "the Great Wind.")

Unlike some of his comrades, Mao is interested in other things besides politics. I once spent half an hour talking to him about Charlie Chaplin. He is keenly interested in the theatre, which he appreciates both as art and propaganda. He likes to write poetry; there is an odd streak of sentimentality in him.

What is to be expected from Mao? Independence of thinking, solutions worked out with an awareness of the necessity of maintaining mass support and control of the apparatus of internal power, patience, a deep interest in the revival and enrichment of Chinese culture, great faith in the people and a sure sense of their capacities, policies evolved after broad discussion and practical tests, and an aggressive defense of China's status as a great power. Marxism is the core of Mao's thinking; dialectical materialism is his method of understanding social phenomena. But he is not a slave of dogma; he has repeatedly adapted doctrine to fit a new fact.

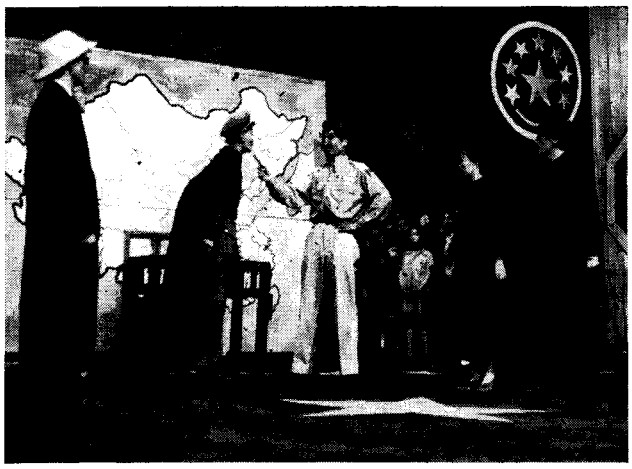
"There are people," he said, "who think that [Marxism] is a kind of magic truth with which one can easily cure any disease. We should tell them that dogmas are more useless than cow dung. Dung can be used as fertilizer."

It should be noted that Mao never promised his followers an early or easy victory. He did lay down the concrete steps by which it could be won. He openly discussed every stage of relations with the Kuomintang; he never denied that he was seeking power, but he offered alternatives for achieving political change by peaceful means. Even when Chiang Kai-shek rejected his conditions for coalition government and resumed the "annihilation campaign" in 1946, Mao continued to describe, quite openly, precisely the strategy and tactics by which he would defeat the Generalissimo. At the same time he also publicly predicted, with great accuracy, the military and political mistakes which Chiang Kai-shek would commit to bring himself to ruin.

Mao has often varied his tactics, but for many years his overall program has been consistent. The aims have repeatedly been stated to be: first, to complete the nationalist revolution, to unify China, to get rid of foreign imperialism; second, to complete the overthrow of feudalism, to abolish the social and economic power of the landlord-gentry, to establish a new society based on equalization of land-ownership; third, to lead the country in "peaceful transition" toward socialism, after an era of broad development of national resources under government ownership and control, co-existing with co-operative economy and with private trade and "middle and small capitalists." He has said that it may be many years before socialism can be introduced. Communism remains the distant goal. President Mao appeals to the majority of the Chinese as a leader of national emancipation and national regeneration.

Mao has never seen a progressive democracy in which social change is achieved by evolution, not revolution. The United States' support of Chiang Kai-shek buttressed Mao's long-standing belief that western democracy will always behave according to Marxist concepts of imperialism. He has never studied in Russia either, and because he hasn't, perhaps he does not quite understand the nature of his own heresy and the challenge that his leadership of China may eventually present to the Kremlin.

—Edgar Snow



Yankee villain in a Red drama

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The New Government and the Old Economy

Now that the Chinese Communists control almost the whole of their country, they must deal with one of the most intractable sets of economic problems that has ever confronted a new government.

While China's village economy—a honeycomb structure of largely self-sufficient (or sometimes deficient) units—is less liable to breakdown than the economies of the West, it has been deeply ravaged by the long strain of the Japanese and civil wars.

The industrialized fringe of China that owed its development to western business enterprise in the last century, and grew up under the protection of unequal treaties, was extremely vulnerable, and has been pretty much ruined during the past fifteen years.

In the middle 1930's a period of economic progress seemed to have started, but it ended abruptly with the outbreak of war in 1937. The years of the Chungking exile weakened the economic position and political influence of Chinese capitalists in the country and in the Kuomintang; and the printing-press financial policy of the Nationalist government, then and during the subsequent civil war, sent one currency after another into a tailspin, completing the destruction of such native industry, commerce, and banking as had precariously re-established itself. To this must be added the destruction of a considerable part of China's unimpressive stock of capital equipment, and the looting of Manchuria by the Soviet Union, as well as a succession of natural disasters, including droughts, floods, typhoons, pests, and crop failures.

The new People's Government is inheriting a devastated country and a damaged, disrupted, and bankrupt economy.

Mao Tse-tung's problem is certainly not one of deciding where to begin. China is still a predominantly agricultural country; eighty-five per cent or more of its labor force works on farms. Land policy has played a principal role in the Communists' acquisition of power and will do so in their retention of it. On the other hand, however fundamental the village program may be, the dynamic factors for economic expansion will have to be sought elsewhere.

In the past, reports from Red China have usually had much to say about land redistribution. While there is no denying the vital importance of this program, the great emphasis placed on it was mostly due to the earlier military policy of the Communists (one of securing the countryside and surrounding, but not occupying, the towns) and the almost completely rural character of the original Communist-run area.

The impression may have been created that the Communists themselves regarded land reform as a "solution" of the agrarian problem. This is far from true. Neither land redistribution, nor reduction of rents and taxes, nor the elimination of the usurer and grain speculator (nor all three) is seen by the new government as the solution to China's land problem.

These reforms, along with the campaigns for organizing village mutual-aid groups, for destroying and ploughing over grave mounds, for well digging, and for popularizing the use of insecticides, are regarded mainly as measures for temporarily easing the tensions in the villages and raising production. There is no doubt that these policies have been enormously successful on all three levels—productive, military, and psychological. Today in many villages in northern China crudely-drawn woodcuts of Mao Tse-tung fill the niches formerly reserved for the kitchen god, and many peasants say before meals, "Thank Chairman Mao for our food."

The Communist drive for increased production has resulted in the emergence of a class of so-called "new middle peasants," who have graduated from the ranks of the "poor and hired" by their own efforts, and who seem just now to be the group most favored by the new government. The Communists are quite ready to admit that in five or ten years they may have a *kulak* problem, and possibly a new sort of class conflict in the villages. This prospect, however, does not seem to worry them, for they are confident that within a decade, or sooner, they will have solved the agrarian problem, not in the villages, but in the cities, through industrialization.

For the time being, collectivization on the Russian model is not being stressed. A few state collective farms have been set up in Manchuria, as well as a large-scale tractor training station; but the present trend is rather toward fragmentation—the necessary result of a policy of breaking up landlord holdings. More significant for the present are the mutual-aid groups, in which villagers combine their labor not only in certain farming activities but, more importantly, in nonagricultural auxiliary pursuits like making carts, irrigation devices, bricks, paper, baskets, and shoes, and even in transport and local trade. A promising type

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of small-scale rural industry may well develop out of these co-operative organizations, which are already, by their nature, well integrated with the existing village economy.

One precondition for industrialization is control of the towns in which industries are located. A second is finding out how these urban areas are put together and how they work.

By the end of January, 1949, Tsinan, Mukden, Tientsin, and Peking had all been occupied by the "People's Liberation Army," and in his report to the party in March, Mao called for an important reorientation of Communist activities—away from the villages and toward urban administration and economics.

This was new territory for the Communists. Few even among the leaders had previous experience to draw upon, and the party's policy during the takeover stage halted and fumbled, proceeding by trial and error, with a good deal of the latter. Attempts to devise foolproof methods of bureaucratic control bogged down in red tape and paper-chasing. The main difficulty (and the usual excuse when things went wrong) was lack of adequate personnel—what the Communists call "cadres." The short-run intensive training schemes that were set up, in the main with university students as trainees, proved unsatisfactory, and have now been abandoned in favor of more thorough methods. These will undoubtedly show better results, but cannot and do not solve the immediate problem. A surprising number of officials of the old régime have been retained—watched and guided by Communists who are at the same time learning the jobs themselves.

Immediate salvage work, such as getting public services going again, was briskly and efficiently tackled, largely by the army. Moreover, the cities were occupied by the same authority that controlled the countryside, which made it far easier to feed the town dwellers. Two months before the fall of Tientsin, the Communists were already building up stocks of grain at Tsang-hsien. These, placed on the Tientsin market a few days after the capture of the city, brought food prices swiftly down from their siege levels.

Such urban policies have often enough hit reasonably near the target. However, more esoteric skills, such as mastering the financial mechanisms of trade, still evade the grasp of the conqueror.

A great deal of China's industrial plant and transportation was originally created (and located) to serve the needs of a special Sino-western relationship, developed in the heyday of nineteenth-century imperialism, and obviously not suited to the requirements of a self-governing economy. Economic scene-shifting—mostly from the coast to the interior—is a major headache for the new régime.

The most striking example is Shanghai. The new authorities are planning drastic reductions in the size and importance of this city, involving the moving of certain industries closer to their raw-material sources in the interior and the development of closer economic ties between Shanghai and its hinterland, to break down the city's crippling dependence on overseas trade.

Another example is provided by the railways. Replanning of the network, however, can hardly get on today's agenda. The priority job is salvage and construction. The Communists are boasting, "Where the People's Liberation Army goes, the trains run too!" This reflects a very different Communist attitude from that of a year ago, when a Communist official cheerfully told me: "We may not be very good at building bridges, but we are quite skillful at blowing them up."

A great deal of reconstruction has already been done, again mainly by the army. After Lin Piao's first-line troops had taken Tientsin and moved south, the second-line holding forces seemed largely to be working on railway repair. Bridges were brought in and double-tracked, and not long after the fall of Shanghai the trains were again running through to Peking. The Yangtze ferry, out since the Japanese war, was also once more in operation. By mid-July the Communists held eighty per cent of China's railway mileage, and three-quarters of it was open to traffic.

Of greater immediate importance, though, than the railways, are the country's inland waterways—its canals and rivers. Junks, sampans, and barges, registered and controlled by regional economic authorities, are now moving an unprecedentedly heavy traffic—principally coal, industrial raw materials, and foodstuffs—and will be the main weapon, for the next two or three years at least, in the government's fight against local famines.

According to Mao Tse-tung's theory of "New Democracy," China's economy will function during the present pre-socialist phase through three channels: government-owned industries, co-operatives, and private enterprise.

The first are already off to a flying start, as all concerns classified as "bureaucratic," which means they were owned by high-ranking Nationalists, are automatically taken over by the state. Further developments are: first, the setting up of government monopolies covering certain areas of production; second, the establishment of state trading companies on a regional basis, which direct, through barter agreements, a growing proportion of the country's domestic trade, and which have also opened retail stores in the principal cities, mainly as a price-control device; last, the institution of a government foreign-trade monopoly, somewhat on the Russian model, which in Tientsin already exercises statutory control over bristle exports and an increasing number of other export staples.

Advances by the co-operatives have not been as rapid and spectacular. Remnants of co-operatives that survived the hard frost of the Kuomintang inflation are beginning to expand in a more favorable climate, but producers' co-operation is not yet as widespread as it is supposed to be under the "New Democracy."

In the area left to private enterprise, the businessman has a hard job balancing his new advantages and his new hindrances. If he is classified as a "national capitalist," can show reasonable output figures, and has no major blots on his labor-relations record, he is better off than before. Considerable favors are extended to him, ranging from tax reductions to the granting of interest-free loans by the People's Bank. Even the restrictions are often two-sided. For example, while government control of raw ma-

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Nap time for a Shanghai street vendor's small son

terials may limit his freedom of action, it may also keep down his production costs. And the stress laid by the authorities on production certainly creates an atmosphere more congenial to the entrepreneur than that which existed under the Kuomintang.

It is easy to draw analogies between the period of "New Democracy" in China and the New Economic Policy (NEP) of the early 1920's in the Soviet Union, but this comparison is too facile, and is not warranted by the evidence. The theory that the present is just a "honeymoon" phase is more reasonable. Mao Tse-tung's economic program, after all, contemplates an eventual transition from "New Democracy" to full socialism. The Chinese businessman, however, seems to feel it will be time enough to cross that bridge when he gets to it.

It is important to realize how powerfully the vision of an industrialized China has taken hold of the Communist imagination. Here at least there is a profound resemblance to the Russians of the Five-Year Plans. "Industrialization" is a word of magic power in China today. This is understandable enough, for industrialization alone can create an urban proletariat—doctrinally necessary as the basis of any Communist régime. Industrialization, besides, is indispensable to the solution of the land problem; is necessary if China is to achieve military independence; and is closely associated psychologically with the fervid nationalism that pervades the Chinese revolution.

What has so far been accomplished does not amount to even a first step in transforming agrarian China into an industrial nation. However, the Communists have already achieved certain prerequisites, without which even the first step would be impossible. Almost all of China is now a "rear area" militarily, and its economic involvement with the demands of the fighting front is daily growing less. The inflation has been, if not checked, at least slowed. But to bring industrialization from the blueprint to the building stage, three things are needed: exploitable raw materials, technical personnel, and capital equipment. The first China already possesses—with certain limitations of kind, and certain difficulties of location. Technicians, certainly at the foreman level, can be supplied by training schemes. Machines and the higher grades of technicians will have to be imported.

Here are some of the pressing questions: Can China develop a rate of domestic capital accumulation sufficient to enable it to underwrite at least a significant part of its industrial program without foreign aid? To what extent will China be able to pay for machines and technicians from abroad with its own exports? With whom can such trade be developed? With the Soviet Union alone? Or with Russia and the non-Communist West as well? Answers will depend on two main variables in the present situation —and on western foreign policy.

The new government may attempt to industrialize, as it were, overnight, to force through a program speeded up to the limits of the country's endurance. Or it may endeavor to construct a small cutting edge of industrial development, and work forward at an initially slow rate, but one which may be expected cumulatively to gather speed. It may plan to industrialize through a series of ambitious large-scale enterprises on the Russian

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model. Or it may decide to lay the main stress on small-size undertakings, geographically dispersed, and from the beginning integrated as far as possible with the existing village structure. The first alternative would call for foreign assistance on a greater, the second on a lesser, scale. How much foreign aid will China want, and from whom?

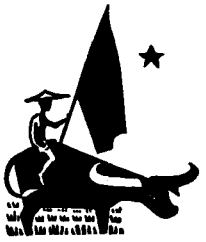
One opinion that is often expressed in the United States (and to a lesser extent in Great Britain) is that the Chinese will need aid on a maximum scale; that they won't get it from the Soviet Union for the very simple reason that the Russians have not got it to give; and that therefore—since America is the only alternative source—a policy of "hands off" will sooner or later (probably sooner) bring the Communists running for American assistance, which can then be given on our own terms. This view is summed up in the claim: "We've got them over a barrel."

But have we? This line of argument, many economists will hold, seriously underestimates the powers of capital accumulation possessed by China's rural economy. The ending of the civil war, and the Communist land policy, will certainly release new resources from the villages, possibly in amounts that will surprise the pessimists. Furthermore, it is at least not inconceivable that Russia will subordinate economic to political reasoning, and provide the Chinese with resources, which, on a strictly economic reckoning, would be retained for Soviet use at home. An American economic policy of "hands off" would make the going tough for the Chinese Communists, increase pressures toward the police state, and leave a clear field to the Soviet. It would be a policy more likely to lead to China's absorption into the Russian orbit than to "bring the Chinese running."

The alternative is to allow existing trade relations to continue and grow. Such a policy would allow the Chinese more room to maneuver. Mao Tse-tung is a Chinese nationalist as well as a Chinese Communist, and if the Soviet Union attempts to satellitize the new China, trade relations between America and China may be of decisive significance in determining the régime's course of action.

—Otto B. van der Sprenkel

The Red Dynasts vs. Chinese Tradition



In Peking there is a famous park known as the Pei Hai, or "Northern Lake." One of the buildings on its northern shore is an old Buddhist temple, in front of which stand three large bronze incense burners. Passing this spot during a stroll on a lovely morning early in March this year, six weeks after the Communists had captured Peking, I noticed that two of the tripod caldrons had been toppled from their marble pedestals to the ground. More work of Kuomintang soldiers, I decided.

A few minutes later, I saw eight or ten young soldiers of the People's Liberation Army, as the Chinese Communist forces are called, also out for a stroll. One of them—a private like the rest—noticed the overturned incense burners and ran toward them, beckoning to his comrades. In a matter of seconds he and three or four of the others, still carrying their rifles and blanket rolls, were struggling to lift one of the tripods back to its pedestal. The soldiers seemed bound to fail, for the tripod was about three feet high, enormously thick and heavy, and so round and smooth that only two or three men could get a real grip on it.

Then the leader had an inspiration. He and his comrades rolled the burner over the ground until it touched the foot of the pedestal. Then, pressing it with all their strength against the side of the stone, they slowly rolled it up the stone's vertical face and into its place. Having done this, the soldier who had conceived the operation leaped happily inside the incense burner, waved his arm, and shouted in triumph. Then he and his comrades ran to the other prostrate burner and within a few minutes had restored it to its orginal position. Watching, I thought: This is probably the first time in decades—perhaps centuries—that a group of Chinese soldiers, undirected from above and with no expectation of gain or praise, has spontaneously exercised initiative, effort, ingenuity, and co-operation, simply in order to put to rights a monument belonging to the people.

One of Peking's most famous restaurants is the Tung Hsing Lou. It has a staff of about seventy. Near it stands a tiny radio shop with a staff of three. During the last three months of Kuomintang rule, I was told, the Tung Hsing Lou paid a city tax of $7.30 in gold yuan, or slightly less than two American dollars at the original rate of exchange. The radio shop had to pay ten times that amount.

Today this could not happen. Bribery has lost its magic and the black market has largely disappeared. Even the enemies of Communism are forced to admit not only that the Communists themselves are absolutely honest, but—even more surprising—that the police and other officials, most of them carryovers from the old régime, have seemingly become honest as well.

What is the secret of this transformation? Fear of punishment on the part of the people? Communist cleverness or efficiency? No doubt both of these, in part. But in large measure the changes rest upon three ideological factors of basic importance: the almost religious faith of the Communists in the rightness of their cause, to which they are willing to subordinate all personal considerations; belief in personal example as a means of influencing others; and belief in the

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possibility of rehabilitating human nature. The first concept is comparatively rare in Chinese history. The other two are deeply rooted in traditional Chinese thought. The combination of the three has given the Communists their conviction that all men, save a handful of hopeless irreconcilables, can be taught to see the error of their ways and be saved. That is why the new government is willing to rely primarily upon suasion and indoctrination rather than compulsion.

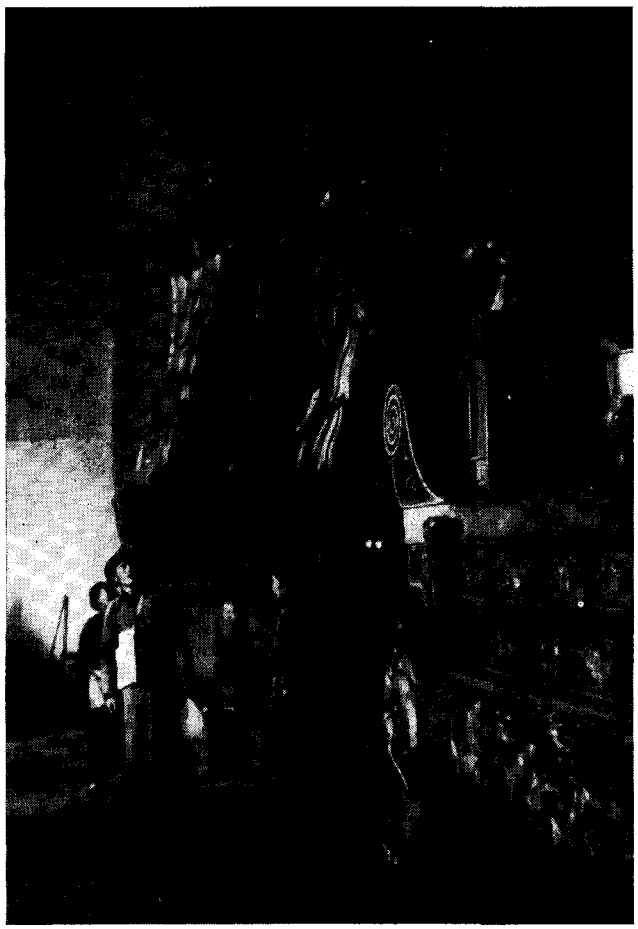
Typical of the new ideology is the reform program of the North China prisons. There, prisoners are no longer called "criminals" but "penitents"; corporal punishment has been abolished; "squeeze" among wardens has been eliminated; and the prisoners are put upon their honor to observe the regulations. The new slogan is: "The prisons have become schools."

Most important in the prison curriculum are the small daily study groups devoted to "self-examination" and "the study of life." Prisoners participating in the former are encouraged to discuss their faults frankly before their fellows, accept friendly criticism, and express repentance. In the latter they hear lectures upon the evils of the old society, the ways in which it can be reformed, and the hope this holds for their own rehabilitation. Through the use of such techniques — conducted by the Communists not only among criminals, but also among surrendered Kuomintang soldiers, students, workers, and almost any other group they can reach—they generate intense fervor among their converts.

The Communists make strong appeals to group and national pride. To workers, farmers, and the people in general they say: "The factories are *your* factories. The land is *your* land. The People's Government is *your* government." These are some of the psychological means—quite aside from political and economic measures—by which they have gained the support of large masses of people to whom Marxism-Leninism as such remains only a name.

For Chinese intellectuals, however, most of whom have become vociferous supporters of the new order, Marxist theory itself exercises a potent additional attraction. This may seem surprising at first, inasmuch as Marxism is diametrically opposed to traditional Chinese thought on many basic points. Chinese philosophy is idealistic, emphasizing the supremacy of mind. It is passive, saying that man should harmonize himself with nature and the individual should accept without question his particular status in society. It is syncretistic, tending to merge the extremes of good and evil into one all-embracing harmony. Marxism, on the other hand, is materialistic, preaching that man's thinking is a product of his social and economic environment. It is dynamic, saying that human progress results from class struggle. It is exclusive, emphasizing that there is only one real truth. The one is the product of a static civilization that has remained essentially agrarian. The other is a manifestation of a changing civilization that has produced science, capitalism, and the industrial age.

Yet the very antithesis between the two is what makes Marxism attractive to many Chinese intellectuals. Events of the past few decades, they argue, show something to have been radically wrong in Chinese society, and therefore in Chinese traditional thinking as well. Marxism explains in logical terms what it is that was wrong and how the wrong can be rectified. This point of view has recently struck many intellectuals with the impact of a sort of "instantaneous enlightenment," to quote an old Buddhist term. It underlies, for example, the open letter, published in a Tientsin newspaper on May 17 of this year, from Ch'en Yuan, president of the Catholic University in Peking, to Hu Shih, former president of Peking National University. Professor Ch'en, a well known historian now in his seventies, a man steeped in Confucian tradition, elected to remain in Peking when the Communists came. Dr. Hu, a westernized scholar famed among his countrymen as the leader of China's literary renaissance two decades ago, and among Americans as China's Ambassador to Washington, fled to Nanking during the siege of Peking, and thence to America.



Pilgrims at the Buddhist monastery of Ling Ying

"Why," Ch'en writes to his friend, in essence, "did you choose to run away? You said there would be no freedom here and cited Kravchenko's *I Chose Freedom* as illustration. But it is not as you say. Now, for the first time in my life, I have seen what freedom really is. I have been free to read many things I had never heard of before: such books as *The Chinese Revolution and Chinese Communist Party,* and Mao Tse-tung's *The New Democracy* and *On Coalition Government.* You own forty editions of the *Water Classic Commentary* (an ancient geographical work on which Dr. Hu has long been doing research). Why is it you never owned a single book by Mao Tse-tung? In reading these works, a new world has opened

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before me. I realize for the first time that our whole study of history has been subjective, unscientific. Man's mind is determined by his society. We must study that society in order to understand the individual, and can reform the individual only through reforming the society. All culture follows politics and at the same time leads politics. The realization of this fact is the freedom that the new government has brought to me."

It is this feeling of widened mental horizons, bringing with it spiritual exhilaration and hope for the future, that has turned many Chinese intellectuals to Marxism despite the Chinese Communists' use of thought-control techniques which, though nonviolent, are highly effective. Ask Chinese intellectuals how they feel about press controls and other curtailments of the freedoms so prized in the West, and some will reply that they regret, but nevertheless accept, them as the necessary price for China's only salvation. Others say that controls are unimportant in comparison with the "real" freedoms of economic security and social equality, and still others that they are but temporary wartime measures, to be discarded when the new government is firmly in power. The evolution in thinking through which many intellectuals have passed during the last three or four years was vividly described in a conversation I had in September, 1948 (four months before the coming of the Communists), with a famous liberal professor—a former member of the Kuomintang.

"We intellectuals," he said in essence, "have gone through three phases. The first was one in which most of us supported the Nationalist government, recognizing its many faults, but hoping it would reform. The second was that in which we became increasingly discouraged with reform prospects but saw no feasible alternative. Though the government was bad, we felt that what might take its place would be even worse. Then came the present phase, in which we are so completely convinced of the hopelessness of the existing government that we feel the sooner it is removed the better. The Chinese Communists are obviously the only force capable of making this change."

"But while we Chinese have thus been forced more and more toward the Left, we have seen a counter movement at work in America. At one time it apparently wanted a genuinely progressive government in China. During the past two years, however, it has seemed to be interested less and less in liberalism and more and more in anything, no matter how reactionary, that might stand as a bulwark between it and Communism. The result is an American government which constantly talks about democratic rights, yet at the same time continues to aid a Chinese government which increasingly disregards these rights. That is why we Chinese have become anti-American—not anti- the American people but anti- their government.

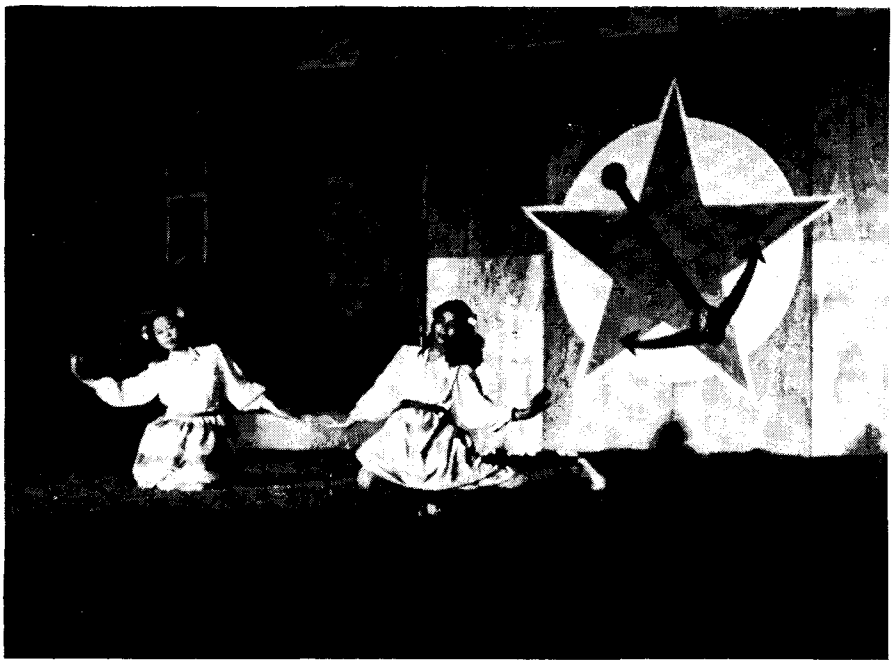
"That we are anti-American, however, doesn't mean we are pro-Russian. Normally we would prefer America to Russia. But today the Communists are China's only hope. Besides, we are not convinced, as are Americans, that they are merely tools of Russia."

Though non-Communist intellectuals thus go far in accepting the Communist indictment of America, they evince greater reluctance toward embracing the counter-thesis that Soviet Russia is the paragon of all virtues. Strong interest in Russia on their part is coupled with lingering distrust. At an indoctrination course for students held this summer in Peking, embarrassing questions were raised about Russian policy in China, especially regarding the conduct of Soviet troops in Manchuria at the end of the war, and the workings of the 1945 Sino-Soviet treaty of friendship.

Can the Chinese Communists remake human nature in China? They not only can but are, especially among students, school children, and younger workers. Family ties sometimes suffer in the process. When the Communists issued an appeal this spring for volunteers for their southern campaign, about a fourth of Peking's university students decided to give up their studies in order to join, despite parental objections in many cases. With official approval, young people are refusing to accept marriages arranged by their parents.

Despite the social changes brought about by a new ideology, however, I share the opinion of my professor friend that Communism itself may conceivably be modified in the course of its progress in China. Certain factors lend substance to this belief: the tenacity of Chinese institutions and traditions; its geographical position, vast size and amorphous population; its long commercial and cultural relations with the western countries; its present and future economic needs; and the divergences of the Chinese from orthodox Communist theory and practice.

—Derk Bodde



Sugar-coating for propaganda: dancers at a Communist meeting

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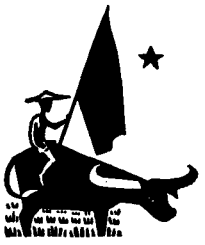
In Search of a China Policy



When Mr. Acheson told the world last August, in the State Department's White Paper on China, that we look forward to a reassertion of "the democratic individualism of China," he was using our best political vocabulary. But his good phrase was unexpectedly seized upon by the propagandists of Communist Peking and turned against us with devastating effect; for "individualism," translated into Chinese, has become a garbage word, meaning everyone-for-himself-and-devil-take-the-hindmost. The Chinese Communists neatly identified it with the disruptive antisocial selfishness that disgraced the last days of the Kuomintang.

The misunderstanding between Washington and Peking is more than verbal. The plain fact is that Asia is very different from America, socially, culturally, ideologically—in all the institutions and values of everyday life. We speak in different language systems, with only part of our vocabularies translatable with any accuracy. Our legal conceptions were so different a century ago that westerners demanded the right to be tried in China by western law under extraterritoriality, a system only recently ended. It is not surprising that neither Sun Yat-sen nor Chiang Kai-shek was ever able to put up a reasonable semblance of Anglo-Saxon parliamentary democracy.

So now that a new order has come to China, the American mind is ill-equipped to deal with it. As the world's oldest surviving revolutionaries and youngest defenders of the established order, we fail to appreciate the attitudes and feelings of revolutionary Asia. We assume that the American ideals of political freedom and economic development, having been good enough for us, are good enough for the Chinese, Indonesians, Japanese, and Filipinos. With our instinctive horror of the totalitarian police state and the evil deeds of Russian imperialism, we assume that no intelligent Asiatic could really desire Communism or, having been duped into it, could avoid eventual disenchantment.

If we approach Asia on these terms we will be defeated. This has just happened in China, where we backed a decadent régime in the effort to secure a "strong, united, and democratic" China, independent of Russia and friendly to ourselves. Had China been an industrialized democracy of western Europe, a revivified Kuomintang might be in power today. But China is uniquely different and Asiatic, densely populated but thinly industrialized, intensely self-conscious but noncohesive, one of the oldest civilized states in the world, convulsed by the newest revolution.

In forming a new policy toward China we must face several very tough and unpleasant realities. If we want to maintain any contact with China at all we have to recognize the new Chinese Communist régime. Yet recognition will not necessarily preserve for our one thousand or more missionaries, our trading firms, our students, professors, and our journalists the position and influence which they have had in modern China heretofore. We have to fit our China policy into a larger over-all policy toward Asia. Yet our effort to put the Japanese economy on its feet (so as to take it off our necks) will continue to provoke the bitter enmity of patriotic Chinese.

In tackling all these problems, our freedom of choice is narrower than we may think. If we do not recognize the Chinese Communist government, Russia will have even greater influence in China. If we do not encourage Japanese trade with China, Japan will become an even greater financial burden and a more dangerous political powder keg. We are the losers and cannot expect to be the choosers as much as we were before. What we have to offer may interest Asia less than we expect. We must assess wherein our real contribution can be—mainly in material goods and technology, or in the realm of ideas and values?

Our first need is therefore to face the truth. No amount of bluster, nor the sending of Marines (or even Legionnaires) can keep the Chinese Communists from putting consuls like Angus Ward in jail if they choose to. We may feel certain there are Russian machinations behind the scenes, but we have to deal with China as though it were an independent foreign state. Chinese patriotic sentiment demands this with complete sincerity. If the Chinese people are in reality falling victim to police terror and the Russian squeeze, we have to let them find it out for themselves.

Meanwhile, as advisers and foreign friends, our influence is at a low ebb. It falls steadily lower as Nationalist planes, gifts of the United States, continue to drop American-made bombs on open Chinese cities. The American public forgets that since V-J Day our aid to Chiang has contributed to the killing and maiming of many thousands of Chinese civilians. More than

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a thousand bombing casualties have been reported from Shanghai since the Communist take-over—enough to blacken our name and strengthen the Communists' moral position.

The hardest idea for us to accept about China today is the seeming paradox that the new Peking régime is both Communist and popular: It is definitely a Communist régime and in the Russian camp, yet it shows promise, on its record thus far, of being the best government that modern China has had. This proposition is hard to take. In recent years some Americans have preferred to think that the Chinese Communists were mere "agrarian reformers," do-gooders in the countryside, and not real Communists committed to the police state and allegiance to Moscow. Many Americans have chosen, on the other hand, to deny altogether the record of Chinese Communist good works and reforms for the peasant masses. Either of these beliefs—that the Communists weren't real Communists, or that they weren't real reformers—was a way out. But now we are up against it. Mao Tse-tung has taken over China with a minimum of slaughter and is making some initial progress in solving China's gigantic problems, while proclaiming his allegiance to Moscow.

Revolutionary Asia seems a paradox to us partly because we don't understand its degrees of social and economic difference from the West. The old order of personal government (landlord rule in the countryside and official corruption in the towns) is so far below our own modern standards that a party dictatorship, which seems a backward tyranny to us, may seem a forward step in Asia. The Chinese people are not yet accustomed to the protection of a legal system which is independent of the government in power, nor do they take the rights of free assembly and political self-expression as matters of course. The mere preservation of order, the lessened fear of arbitrary seizure by the police, have been a relief to Chinese intellectuals after their experiences under the Kuomintang. The fact that the new régime may at any time resort in its turn to arbitrary arrest and coercion makes it no worse than its predecessors. It will be judged by the Chinese masses according to their traditional touchstone —whether there is enough rice to eat.

Our ignorance of China leads to sad miscalculations. We overestimated the Nationalist armies' will to fight and oversupplied them with American arms. We sent them field-artillery pieces, key tools for capturing walled cities. But the Nationalists held the walled cities and the Communists remained dispersed in the countryside, where artillery could not reach them. When the besieged Nationalists grew demoralized, the artillery began to change hands, and soon the cities did, too. Since our armament of Chiang outran his troops' desire to use it, the Communists today have the best-armed forces in Chinese history, American-equipped.

We can make similar mistakes in other parts of Asia. Suppose, for example, that our economic-development plans overlook the social effects of industrialization. Done our way, industrialization will create big cities in Asia, which will draw their cheap labor from the farms of the countryside. But this will disrupt the old family relationships, upset the traditional amenities of the individual's life within his community of kin and neighbors, and make him the more ready to give his allegiance to revolutionary causes. American-style industrialization in the crowded East may increase the material satisfactions of the Indonesian or the Indian, and yet also increase his psychological frustration and spiritual dissatisfaction. All these things are interrelated, and our technological aid cannot help having deep social repercussions. Our well-meant injections of technology into underdeveloped economies under Point Four can be misused to entrench backward régimes in power, and so lead us into a whole series of disasters like the one we have suffered in China.

Shanghai: anti-inflation posters

These unhappy facts suggest that American policy can no longer afford to project American ideals into Asia unless they are translated into Asiatic terms. The freedom of the individual, the democratic process, the good life we seek to defend, seem to most Asiatics to be all right for Americans, but beyond their own reach. They must settle for what they can achieve in their own countries, with the meager resources at hand and the historical traditions they have inherited—through Communism, if no better means presents itself. Can America offer an alternative, not in New York or Washington, but in Batangas Province and the paddy fields outside Bangkok?

Our forebears, as traders, missionaries, and educators, began the revolutionary process in Asia. It is high time that we took a hand in helping it along. Containment of Communism, to keep it out of countries undergoing social metamorphosis, is like containing a forest fire. It is better to build a backfire.

It is not beyond our capabilities to work closely with the native non-Communist leadership of Asia, once we acquire the will and the vision. Asia is still our farthest West, the final frontier to which our westward expansion has brought us. It is now also our strategic frontier, where American ways and ideals are on trial, a border area of cultural ferment and change where modern science can either remake the ancient East or else enslave it. We will bear some responsibility for the outcome.

Our policy must be cast in a new pattern of relations between the American people and peoples of Asia. Elements of this new pattern may be suggested as a series of operating principles.

First, American private citizens and private agencies must be enlisted and

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The work of an American-made Nationalist bomb

given opportunity to work in Asia: business corporations and private enterprisers, missionary and student workers, teachers and technicians of all kinds. They should not be dominated by government, but advised and helped. We must avoid our recent error in China, where we funneled enormous amounts of aid into the government channels of China and overloaded them. We should not place our bets on governments but on the long-term interests of peoples, and we should seek to work with the peoples of Asia at all possible levels of planning and technical development. Naturally, the governments of the new Asia will be largely "socialist" in their plans for the future, since *their countries generally lack a strong middle class.*

Second, our new contact with Asia, both private and governmental, must be on a basis of equality and reciprocity. First of all, Asia's independent sovereignty and freedom of action must be fully acknowledged. This means the full recognition of nationalist aspirations in Indonesia, Viet-Nam, and other areas, even when we know that the new leadership is weak and untried. Colonialism and the old Anglo-Dutch imperium in Southeast Asia are finished, and we cannot fill the vacuum with a new American imperialism of our own invention. Our only recourse, as a trading power at a great distance, is to nurture nationalist movements and try to treat them as independent even while they are weak.

Finally, insofar as we can plan our part of this relationship with the new nations of India and Southeast Asia, we must seek to keep it balanced and integrated within an over-all program, so that military armament does not outrun social reform, and industrial development does not overshadow the welfare of peasants. Trade among Far Eastern countries, for instance, is quite as necessary as trade with us.

If we regard China with these considerations in mind, several principles emerge: First, we must help the various new nations of the Far East to work their way toward political independence and economic development, so that increasingly they form a local international community, a segment of the world order. Japan is an integral part of this community and must trade with it. Such a growth must inevitably attract Chinese participation. Yet China is not likely, in our lifetime, to be in a position, economically or strategically, to dominate this community.

Second, our interest is to maintain as best we can our contact with the Chinese people, rather than to push them behind a Russian-type iron curtain. Their new government, having ridden to power on a wave of nationalism, is in no mood to accept Russian dictation and police surveillance in its domestic affairs. It is by no means certain yet that the Chinese Communists want to subordinate themselves fundamentally to Russia, or that they wish to eliminate American contact, or that, if they do, they can succeed soon. No matter what the Chinese Communists want, China is still oriented toward the West in many ways. We should try to keep it so, neither by hostility nor by appeasement, but by standing on solid American principles: national independence, economic welfare, personal freedom. These are positive things we are for, not against, and in our relations with Communist China we should mainly talk about them, rather than about "anti-Communism."

In this context, diplomatic recognition is only a first step. Since Russian aid to the Chinese Communists during the civil war has been relatively meager, we have little basis for applying the Stimson doctrine. The change of government in China has followed a genuine civil war, not military aggression from outside. Diplomatic relations, so necessary in our dealing with Communist Russia, are equally necessary now that the cold war extends to Communist China.

Recognition is not moral approval, only realism. A Chinese veto in the United Nations can have only a little more nuisance value than the present Russian veto. Meanwhile, persistent nonrecognition would constitute desertion of the century-old American interest in the Chinese people—a denial of American principles of humanitarianism, and friendship for the four hundred millions of China. Recognition is a necessary first step in our continuing competition with Russian influence in China. To withhold recognition beyond the time when the State Department can work out the details would be defeatist and essentially isolationist. It would be playing into Russia's hands. Our aim must be to follow a middle course, free of the illusory hopes and fears that have dogged our China policy in the past, ready to deal with the Communists in China but under no compulsion to take their terms, without expecting either that their régime could be destroyed by our hostility or that it could be enticed out of the Russian orbit by appeasement.

—JOHN K. FAIRBANK

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To Man's Measure . . .

Happy New Year, Mr. Gorer

Observing, measuring, sniffing at us as if we were a recently discovered tribe in some dark Amazonian forest, Geoffrey Gorer, a young, alert, bright-eyed-and-bushy-tailed British anthropologist wrote a witty book entitled *The American People*. We have just taken a look at it. Mr. Gorer has a theory that Americans are what they are because they revolted against Father. Father was King George the Third. Once the colonies had rid themselves of Father they formed the system of checks and balances to prevent anyone else's ever looking at all like a Father, and from then on, it was only the Indians who talked about the Great White Father in Washington, or the *Daily News* that used the term derisively about Roosevelt. If the schoolboys were taught that George Washington was the Father of his Country, that was just an error of rhetoric.

The revolt against Father led to Uncle Sam and to Mother's Day. It led Mr. Gorer to draw a picture of the United States as a nation of discontented and bewildered children, uncertain of their sex—a picture which is dreary, facile, and vulgarized Freud.

The little star on top of the Christmas tree is still there, lighted every evening for a few more days. Soon that strange and ageless excitement will be at hand when men everywhere greet a new year as if it meant a new life. What has Mr. Gorer to do with this Holiday Season? Well, there were British periodicals on the table the other day, and looking at them, we found that, though we are rather angry at Mr. Gorer, we are not at all angry at Father any more.

We were sitting in front of an open wood fire. For a city dweller, this sounds like boasting. It sounds as if we were pretending that we were the late John Pierpont Morgan in his library. But we have to tell it the way it was. The fact is that the noise of the city traffic entered the room as gently as if it were the wind sighing through forests the city does not know. The fact is that the logs in the open fireplace had burned down so that, with John Masefield, we could recall "beauty of fire from beauty of embers." The room was an ante-room to no doctor or dentist but only to silence and the dusk. When the lights were turned up there were the British periodicals on the table.

"In the first half the Oppidans, kicking to Good, were pressing fiercely; the ball was actually in Calx and over the furrow, but the College Goals, perceiving that it might come spinning back into play, did not touch it but waited in hope. Sure enough, the ball screwed back over the furrow and he duly kicked it to safety. Here was a piece of coolness and wisdom in agitating circumstances hard to overpraise . . . Muffled cries of 'Got it' now came thick and fast; shy followed shy and one was very nearly converted into a goal, the ball hitting the outskirts of the door but not the door itself . . . an incident worthy of record was the spirited conduct of the new Provost, who was looking on. He, remembering the duties of youth rather than of age, instinctively stopped the ball as it came towards him and returned it to the bully." This is from the *Times's* account of the Wall Game as played at Eton (at Eton only) on St. Andrew's Day.

Country Life's cover story was bannered "Our English Warming-Pans." It also contained (1) a piece on "Little Bulbs of Early Spring" picturing the Narcissus Cyclamineous growing in a rock garden, "with its golden petals laid back like the ears of an angry cat"; (2) a piece headed "A Fine Old English Breed in Danger of Extinction in Britain: The Bloodhound," with photographs of "Dusk of West Summerland," daughter of Blanche of Brighton, owned by Lady Anderson; (These sad, slobbering, and gentle hounds employed in America mainly as accessories to melodrama, were introduced into Britain at about the time of the Norman Conquest.); (3) "Insects and Insecticides"—"Beekeepers in this country have every right to feel anxious!"

The *Illustrated London News* told of Tower Farm, Longthorpe, Northants. During the war the Home Guard occupied this fourteenth-century tower, damaging the interior as soldiers are wont to do, in this case by playing the game of darts. Entering upon the task of restoring the walls, the tenant, Mr. Hugh Horrell, found coloring beneath the plaster surface. "He most wisely stopped this vigorous stripping and began to explore carefully with a pen knife. In this way he exposed evidence

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of painting over a large area." The walls of the room were completely covered with frescoes painted "probably" about 1330. They are admonitory: the passing seasons of the year—in December the killing of the Christmas pig—the inexorable seasons of man's life—youth, adolescence, maturity, old age—the end to all power—three skeletons beckon to three kings. But they also are not hopeless: One of them shows the Wheel of the Five Senses; around it cling animals—the monkey (taste), the vulture (smell), the spider (touch), the boar (hearing), and the cock (sight). Behind the wheel, turning it at will, dominating this bestiary, stands the crowned king "Reason."

Britons are still at their incomprehensible games on the playing fields of Eton, where Britain's battles are said to be won. The Duke of Wellington, whose ancestor thought so, is still around—as Lord Lieutenant of Hampshire he recently assisted at the consecration of the Bishop of Guildford (London *Times*). The British still are fond of animals, fond of killing them, fond of flowers, bees, and the past. Their curiously contemplative periodicals still divert us. But there is their countryside, the valleys, hills, and downs, with the night falling on Christmas Eve, on New Year's Eve. Sometimes a castle in in the distance; or Tower Farm, Longthorpe, Northants; or endless rows of workmen's cottages; or *Amethyst,* safe at last in Plymouth Harbor; or London, immense and secret in the night. America, too, stretches out into the night. Holiday lights shine too in the windows of our city houses and in our lonely farms. We also have castles, although they are usually called someone's "folly." So perhaps we need not worry too much about George the Third, Mr. Gorer, or be so complicated. Happy New Year.

Embattled Spain

The short-wave broadcasts in English sent out by Radio Madrid and Radio Moscow have quite a few things in common: Nearly everything is going fine in the Fascist and Soviet Paradises. Moscow reports that workers in a Leningrad factory have exceeded their quotas by three per cent; Madrid retails the cordial encounters of U. S. Congressmen and Franco. The Madrid propagandists try to erect around themselves the iron ring of menace so handy for a totalitarian régime, but they have a hard time of it. Recently one of them was heard to declare: "The Soviet Russian treatment of small Yugoslavia finds a direct parallel in the Anglo-American treatment of Spain."

Socialist Leisure

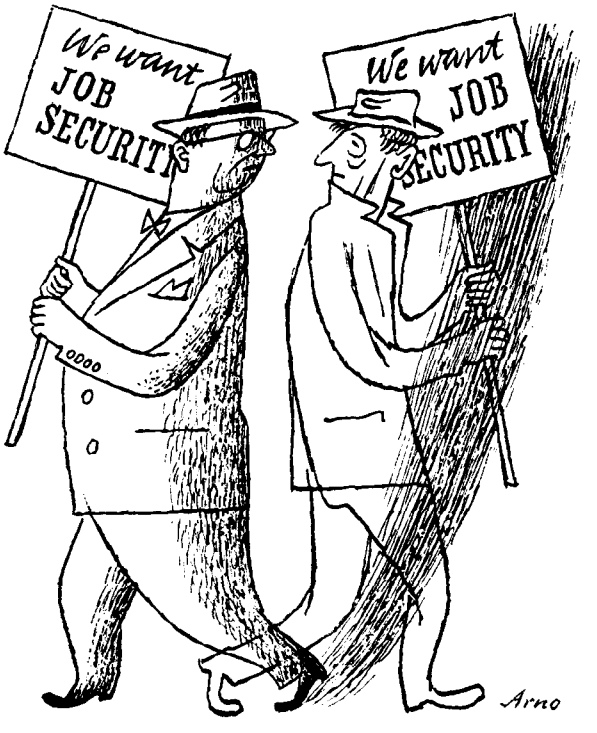
The problem of what Russian functionaries around New York do in their off time used to trouble our newspapermen, who, after a few futile attempts at investigation, decided that they must all sit around their big house out on Long Island playing chess. We spotted a Russian the other evening—or at least we had several fairly strong clues that he was a Russian: First of all, he descended from a long black limousine, occupied by three men of similar Slavic impassivity, at the corner of 42nd Street and Third Avenue. Second, he was wearing an outfit that a small-town businessman of the early 1920's might have felt at home in. Finally, he was carrying a black briefcase. This last seemed to clinch it. We were further confirmed in our suspicion when he passed an Automat, a Schulte's, an Army-Navy store, and two newsstands without glancing either to right or left. We finally followed him into the Third Avenue station of the I.R.T., which contains one of the longest and most gleaming escalators in New York. He hesitated a little as he approached the escalator, but finally slithered aboard. He gripped both handrails firmly all the way down, his too-small hat perched squarely on his head. After he got off, with a little skip and jump, we caught a glimpse of his face. Impassivity had vanished. With an absorbed smile, he made a 180-degree turn and stepped onto the upbound escalator.

Enlightenment

It is hoped against hope that this paragraph will not be considered as containing any irony whatever. One of the great difficulties encountered in negotiating labor contracts has always arisen from management's suggestion that labor is far too interested in job security, severance pay, and insurance. Management has often held that such claims must lead to the welfare state. It is highly reassuring, therefore, to find evidence that management itself is now thinking a little bit ahead about its own job security, severance pay, and insurance. A note in *Broadcasting* presents such evidence: "Niles Trammell's seven-year contract at $100,000 a year [as chairman of the board of N.B.C.] is effective from Jan. 1, 1948 to Dec. 31, 1954. . . . Mr. Trammell's agreement provides that if his employment . . . does not continue after the expiration date of the contract, he will be retained for five years as a consultant at $25,000 a year."

In one of the dreariest of his little prose poems, the French poet Baudelaire sits in a gaudy, new café beneath the gas-burning chandeliers. From the sidewalk a man in rags stares in at the poet and his lady. Baudelaire feels sorry for him; his lady, however, suggests that the poor man be forbidden to stare. Baudelaire concludes: "How difficult is understanding even between two people in love."

It is not suggested that labor is in rags—only that Mr. Trammell's foresight contributes to understanding.



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Down Under

The Anzacs Take a Step to the Right

The defeat of the Labour Parties in recent Australian and New Zealand elections was treated by some American editors as an indication that the welfare state had proved a washout. It is obvious that most of the writers were more interested in fitting the politics of the Antipodes into the politics of the United States than they were in finding out the actual situation in Australia and New Zealand.

Australia and New Zealand, are, by comparison with the United States, very simple societies. Australia is about the same size as the States, but vast areas are desert. The country's extensive coal and iron ore reserves enable it to produce about two million tons a year of the cheapest steel in the world. In spite of recent rapid factory development, however, Australia still derives more than half its national income from the export of primary produce, and it is still highly dependent on one staple—wool. Australia's large inhabitable east-coast section, and smaller perimeters of the south central and far western areas at present support approximately eight million people.

Australia's people are nearly one hundred per cent of British descent, and more than eighty per cent can trace their origin to England, Scotland, or Ireland within the last three generations. Although there are many minor differences in social customs between the tropical sugar lands of Queensland in the far north and the snowy mountains of Tasmania in the far south, between the easy going atmosphere of Perth in the west and the somewhat frigid puritanism of Melbourne in the east, there is on the whole very much greater homogeneity of language, morals, and community patterns than there is in the United States.

New Zealand is about the same size as Colorado, and has a population of about two millions. It has no deserts, and is altogether a lusher country than the ancient and desiccated continent of Australia, but its resources do not justify extensive industrialization, and it will remain for a long time predominantly agrarian, with an optimum population of around eight million. New Zealand also has an almost hundred per cent British-Isles white population, but the Maori are on the increase and already exert considerable political power, whereas Australia's stone-age aborigines are on the decline and have no political influence at all.

New Zealand is twelve hundred miles east of Australia, and the direct contacts between the countries are quite slight. Their association in American minds and in world affairs is the product of their common problems in Pacific strategy and demography, and of their common loyalty to the British Commonwealth of Nations.

There was actually greater mutual influence in the latter part of the nineteenth century, when New Zealand initiated, and Australia promptly copied, compulsory arbitration of labor disputes, and when New Zealand took part in the conventions which produced the federation of Australian colonies now known as the Commonwealth of Australia.

The continuing separateness of the paths pursued by these neighboring British dominions was indicated as recently as 1942, when Australia brought its divisions home after Alamein in order to fight the Japs, while the New Zealanders went on to share in the bloody struggle at Monte Cassino.

The separateness of Australian and New Zealand national policies, notwithstanding such agreements as the Australian-New Zealand Agreement of 1944, to some extent increases the world significance of the conservative trend in the two countries. In the recent elections, they did not act in imitation of each other, but in response to a reaction against social-democratic policy evident in many countries. Hence there was some justification for the jubilation which the results occasioned among the British Tories. Otherwise, there is little similarity between the situation in Britain and that of the Anzac nations. Britain is facing the tragedy of declining living standards brought about by the irrevocable loss of historical advantages in investment and trade, while the Anzac countries are just beginning a period of rapid expansion of both population and trade.

There is one very marked similarity between the political situations of Australia, New Zealand, and Britain, which at once distinguishes them from the United States, and that is the complete acceptance by *all* major parties of the main principles associated in America with the expression, "the Welfare State."

There are, of course, disputes between the parties in British lands as to the exact amount and limits of welfare services, but it cannot be assumed that Labour Parties in these nations are necessarily expansionist and the anti-Labour parties conservative on such details. The Australian Labour Government introduced the principle of family endowment—a weekly payment to mothers equivalent in purchasing power to about one dollar for each child under sixteen years. Under the Labour legislation, this payment was made only for the *second* and subsequent children, in faint imitation of Mussolini's large-family fiscal policy. The new Liberal-Country Party coalition Government is pledged not only to maintain this generous form of wage-

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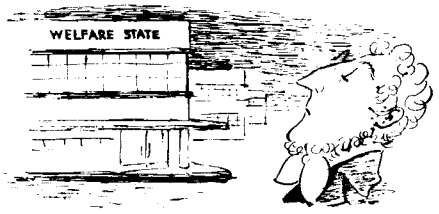
supplementation, but to extend the payments to include *first* children. The anti-Labour parties of New Zealand and Great Britain are similarly pledged to maintain the main structure of existing old-age, widows', and invalid pensions, unemployment benefits and health services, and to finance these very largely from taxes.

The bipartisan acceptance of a welfare state in Britain and the Anzac nations should not surprise anyone who has studied the history of these policies. It was Disraeli who first established



the concept of "Tory socialism." It was the Lloyd George's Liberal Party that first introduced a share-the-wealth program on a large scale, and the Conservatives under Baldwin who greatly extended the program; it was the New Zealand and Australian Liberals who first introduced extensive pension and social-service schemes.

When it comes to the public ownership of industry, however, the difference between Labour and anti-Labour beliefs in the Anzac countries becomes more apparent. Even here, a good deal of public ownership is taken for granted by all parties. One area of common agreement in the Anzac countries is on public ownership of railways, and, to some extent, of other transport lines, and also on publicly controlled power production. The vehemently non-Labour Government of the State of South Australia recently nationalized one of the last surviving private power corporations in Australia.

It is doubtful whether the new New Zealand Government will attempt to reverse any established piece of Labour nationalization. There is, however, one interesting Australian case. The Labour Government established the government interstate Trans-Australia Airlines; its attempt to give this service a monopoly was frustrated by a decision of the Australian Federal High Court, but the airline, operating in competition with private enterprise, has been a considerable technical success, is of strategic value, and provides a number of services to remote areas which private enterprise could not finance. It has also operated until recently at a considerable loss. There will be pressure on the new Government to sell the line to private interests, a policy which in this case would encounter few practical difficulties. The ultimate decision of the Menzies-Fadden coalition will be a test of the strength of their devotion to private enterprise.

The new Government will certainly take an attitude toward nationalization and business-control policies radically different from that of their Labour predecessors. They will at least hold the line on private enterprise, and will endeavor to free it from remaining war-time controls and the Central Bank policies of the Labour Governments. The Australian Government is pledged to abolish petrol-rationing and the policy of bank nationalization. It will also remove the central government-owned Commonwealth Bank further from political influence, and weaken its coercive powers over private banks, but is not likely to de-nationalize the Commonwealth Bank. The new Government will regard private business as intrinsically worth-while, and give it every encouragement consistent with welfare-state principles.

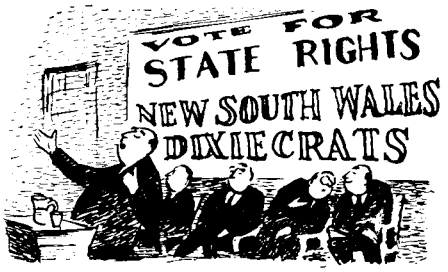
New Zealand's upper house has a Labour majority but, since its members are nominated by the Governor-General and their powers are quite severely limited, they cannot effectively obstruct the policy of the new Government. If they do, they will be swamped by anti-Labour nominees.

The position in Australia is far different. Constitutionally, the country resembles the United States. Its federal system, in fact, was deliberately modeled on that of the United States, but without most of the fundamental guarantees and the rigid separation of powers. There are six states with autonomous legislatures which have the residue of power, and a Federal legislature, which has a specific and comparatively limited list of powers. Indeed, the power of the Federal Parliament to nationalize industries is strictly limited. Socialism is thus more a state than a Federal problem. The financial power of the Federal government, however, is very great, and consequently it calls the tune of welfare policies. The recent election was, of course, for the Federal government only, and has left untouched the six state governments, of which three are still controlled by the Labour Party, three by non-Labour parties.

One possible cause of division in the new Australian coalition may arise out of Federal-state relations. The Labour Party Federal government established a Federal monopoly of income taxation. The anti-Labour movement, like conservative movements in America, includes a powerful state-rights element. There will be pressure to return taxation powers to the states, but this will be opposed by conservative interests on the ground that it will aid the state Labour Governments, and also by many commercial interests because it will end a desirable simplification of tax laws.

Another difficulty for the new Australian coalition Government lies in the structure of Parliament itself. The upper house, or Senate, modeled on the U. S. Senate, still has a Labour majority. American writers seem to think that this body will supinely accept the policy of the anti-Labour House of Representatives. This view is wholly without foundation. The Senate will certainly be cautious, since the constitution allows the government to overcome an inter-house deadlock by dissolving both houses and holding another general election. Hence the Labour Senate will not pick fights on issues unless they are good election issues. The Government, however, will not be anxious to fight another election for some time, and accordingly the Senate will be able to carry on a good deal of sniping—not only by holding up legislation, but also by disallowing executive regulations. This will be another brake on too much anti-Labour "unscrambling."

The New Zealand government is today in the hands of a single and



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substantially united party. The new Australian government is based on a coalition between two parties—the middle-class Liberal Party and the farmers' Country Party, which have their differences; indeed, personal differences between the new Prime Minister and Liberal leader, Mr. R. G. Menzies, and the new Treasurer and Country Party Leader, Mr. A. W. Fadden, contributed to the break-up of the last coalition in 1941.

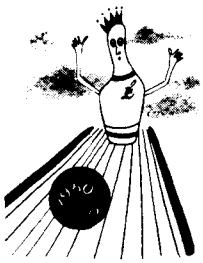
One cause of dispute is the value of the Australian pound, which is grossly undervalued in relation to both the pound sterling and the dollar. Officially, the dollar is worth nine Australian shillings and threepence, but in purchasing power it is worth about two and six. If the value of the Australian currency were increased in terms of the dollar, imports would be greatly cheapened and capital development would be accelerated, so there is strong pressure for revaluation from city business interests. However, this policy would also reduce the cash return to the farmer and so is strongly opposed by the Country Party. Although the Country Party is much the smallest in the House, its support is necessary to the new Government, and its ideological influence is out of proportion to its numbers. Mr. Fadden inspired some of the most popular election policies of the coalition, such as outlawing of the Communist Party—which Mr. Menzies at first opposed—and abandoning of petrol-rationing (which Mr. Menzies was at first prepared to concede might still be necessary in order to conserve dollars). However, after eight years in the political wilderness and an electoral victory not nearly as sweeping as it sounds, the coalition will presumably keep its differences behind closed doors.

The Australian election result was correctly forecast by Australian Public Opinion polls, which have been a hundred per cent correct since 1942, when they started. This shows how successful the Gallup method is when voting is compulsory, as it is in Australia. Indeed, Australia seems to have reached the stage where an actual election is an unnecessary expense. Just hold a Gallup poll. The next stage will be a Gallup poll to predict the Gallup poll—but that way lies madness.

—Geoffrey Sawer

Britain

Sterling—Still a Kingpin



The British economy and the pound sterling have faced three major emergencies at two-year intervals—in 1945, 1947, and 1949—not unlike the cycle of pneumonic complications hitting a patient who is already fighting against an organic disease. Now there are disturbing signs that the crisis may not take its customary year off in 1950.

While the devaluation of the pound helped cut down the rate at which Britain was losing gold and dollar reserves, sterling is again quoted on the "gray" markets at substantial discounts, and the same forces that brought on the emergency of last year are once more gaining momentum.

It becomes increasingly clear that the rate of exchange will never be satisfactory, no matter how low it goes, unless two things happen: first, that sterling becomes more freely convertible into dollars, and second that the holders of sterling, whether governments or individuals, do not, when this happens, rush to convert their sterling into dollars.

The world economy has so long revolved around the sterling standard that sterling, no matter how weak, is still a kingpin of international trade. Its stability concerns not merely a handful of international financiers, or money peddlers in Tangier, Zurich, or Brussels, nor is it purely a domestic affair of the British Isles. It has a vital influence on the prosperity of all countries that depend on international trade. It affects standards of living throughout the vast portion of the globe belonging to that loose monetary association called the sterling area. It has a direct bearing on levels of income and economic activity in other countries that trade chiefly with the United Kingdom and with the sterling area, or that are export competitors of British industry.

Gone are the days when London was the financial center of the world, and when a raise of as little as one half of one per cent in the rate of interest that was set every Wednesday by the Court of Governors of the Bank of England was sufficient to attract gold "from the moon." Yet there is an amazing resiliency in the web of financial and trade relations centered around Britain, and even now sterling is in a sense as important as it was in its heyday. This was strikingly emphasized three months ago, when about half the currencies of the world followed the lead of sterling in devaluing. It is clear, though, that while disintegration of the sterling economy would play havoc with the world economy, Britain no longer has the strength nor the resources to restore the situation. In this sense, the sterling economy is only a satellite in the modern planetary system revolving around the dollar.

Since 1945, American policies of aid to England have been characterized by a curious ambivalence, reflecting to some extent different orientations within the State and Treasury Departments. The support of the British and sterling economy has been and is a fundamental principle of American policy. Billions of dollars have been made available to Britain, first by means of the 1945 loan and currently under the Marshall Plan. This record has been marred, however, by long spells of cold detachment toward Britain's difficulties. There was the abrupt termination of Lend-Lease in 1945, and the attitude, through most of 1949, that the sterling crisis was merely part of a "healthy readjustment," which called only for corrections in Labour's domestic economic policies.

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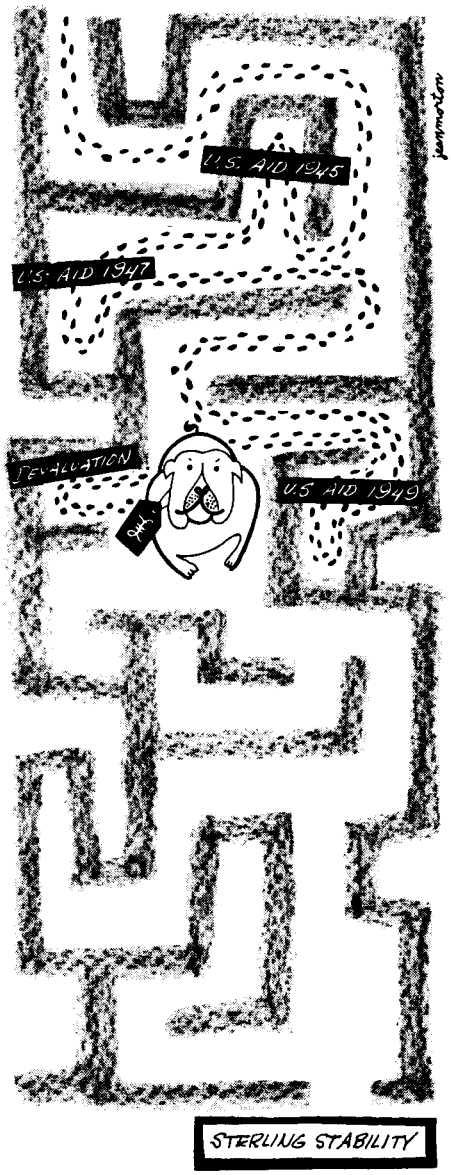
The Marshall Plan was an answer of unprecedented scope and generosity to the dramatic British and European crisis of 1947, but it evaded the sterling problem as such. Our readiness to underwrite Mr. Bevin's follies in the Middle East and elsewhere, and to encourage the British to maintain overextended political, military, and economic commitments, was not matched by an adequate appreciation of the British economic problem. Above all, there was reluctance to recognize that sterling—because of its world ramifications and implications—is just as much an American as a British problem.

Because of their hostility to the Labour Government, American business, Congress, and even some segments of the Administration, have been almost obsessed by the "waste and inefficiency" of British Socialism, its heavy expenditure for social services, and in general the dollar difficulties of the British Isles as such. This attitude was unconsciously abetted by the Labour Government itself, which for political and imperial reasons, found it convenient to lump the dollar problem of the sterling area at large with that of the United Kingdom.

Now it is becoming quite apparent that the sterling problem has two aspects—the dollar position of Britain and that of the rest of the sterling area. While Britain finds it difficult to earn enough dollars to pay for its imports from this country, the heart of the sterling problem lies in the demand for dollars by sterling area countries, by many countries which have export surpluses in their trade with Britain, or by those which hold large claims against Britain, and are anxious to convert sterling assets into dollars.

This conclusion is supported by figures recently released by the U. N. Economic Commission for Europe. It appears that while Britain's imports from the United States, measured in 1938 purchasing power, were, in 1948, down forty per cent, South Africa's and India's were three or four times as great as before the war, thus accounting for a sizable part of the total dollar deficit of the sterling area. The adverse trade balance of Britain with the United States increased from 1938 to 1948 by $77,000,000 (due wholly to higher dollar prices), while that of the rest of the sterling area increased by $378,000,000. Moreover, only a *third* of the entire dollar deficit of the sterling area in 1948 was caused by imports from or capital movements to the United States. More than a third resulted from losses of dollars due to transactions with European and Latin American countries. Almost a third arose from transactions with Canada.

In the light of these facts, the points brought up in the United States during the great sterling debate of 1949 dwindle to comparative insignificance. It is obvious, in fact, that the major leaks in the gold and dollar reserves of the sterling area have been opened chiefly by the dollar thirst of *countries other than Britain*. It is clear, by the same token, that the sterling problem will continue to remain unsolved until something is done to bring into balance the supply and demand of dollars in India, South Africa, Canada, western Europe, and Latin America. This is a formidable task. It cannot be tackled with piecemeal and off-center measures, no matter how large and generous, and it calls for statesmanship of the highest caliber.



Basically, the solution of the sterling problem hinges on four things: the dollar requirements of Britain; the economic relations between Britain and the rest of the sterling area; trade between Britain and western Europe; and the American-British-Canadian triangle.

The Marshall Plan is helping powerfully, for the time being, to bridge the dollar gap. While it is already clear that some aid will be required after 1952, the problem is not unmanageable, particularly if the United States imports more manufactured goods. Canada may and will continue to assist Britain in the future, within the limits set by its own dollar position. Innumerable major questions of policy and detail will have to be settled from time to time, but these are two sectors in which the natural correctives—normal trade and financial relations, supplemented by some direct aid—can make the greatest possible contribution in a short period.

The relations between Britain and the rest of the sterling area, and those within the intra-European framework, are more difficult.

India and other underdeveloped countries will need, over a long period of time, more dollars than they can earn or than the British government, as the custodian of the central reserves of the sterling bloc, can allocate to them. Some of those dollars may move as loans and investment from the International Bank, the Export-Import Bank, and private sources. The International Bank has taken a commendable lead in this direction with its first loans to India, while the Export-Import Bank is helping Israel and is expected to support some development of British colonial territories.

However, the immediate opportunities for productive loans and investment in these areas are necessarily limited. A good deal of money and effort must be spent in the underdeveloped areas before large-scale loans and investment will be attracted. Presi-

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dent Truman's Bold New Program is the natural tool for the purpose, but for the time being it is anything but bold, and even so it is getting a chilly reception from Congress. However, there is hope, thanks to Mao Tse-tung and the Communists, that even the Eighty-first Congress can be rallied behind a Marshall Plan for Asia. This would relieve the pressure from India, Pakistan, and other countries, on the dollar reserves of the sterling area, and eliminate one of the major blocks to the restoration of sterling as a freely convertible currency.

Sterling cannot be made convertible until there has been a settlement of claims on Britain by countries that are pressing for payment for commodities and services supplied during the war. These frozen credits—technically known as sterling balances—amount to approximately 3.2 billion pounds sterling. India and Pakistan hold the largest slices of that frozen pie, and Egypt, Argentina, Israel, and other countries have good-sized portions.

As long as such heavy frozen claims against Britain are outstanding, there is an irresistible temptation for holders of the claims to dispose of them in exchange for dollars and other hard currencies, even at considerable discounts. These discounts, in turn, cut deeply into the value of sterling as a whole. A currency, like a nation, cannot be stable if it is half free and half in bondage.

These balances are actually nothing but war debts—dead wood which must be cut quickly and ruthlessly. For political and other reasons, though, these debts cannot, like Lend-Lease, be simply wiped out. For instance, Pandit Nehru reportedly insists on full redemption, on the ground that, to aid in the war effort, millions of Indian peasants were deprived of their essential foodstuffs and starved.

The problem is tough, but not impossibly so—particularly since India and some other countries have intimated their willingness to hold on to a sizable part of those sterling credits as backing for their currency, and to abstain from converting them into dollars. Furthermore, there are countries which gained economically more than they suffered through the war, and which might accept a cut in the face value of their claims. Gradual repayment of what is left could be underwritten jointly by Britain and this country. Moreover, if feasible, it could be stipulated that the amounts released could be spent only in agreement with the British and U. S. governments, and for purposes approved by them, as is the case now with the local counterpart funds of the Marshall Plan.

In one way or another, these sterling balances must be eliminated, to pave the way for convertibility and restoration of a free and stable international economy.

Ultimately, whether we and the Labour Government like it or not, Britain is no longer in a position to exercise alone the privilege and responsibility of managing the dollar and gold reserve of the sterling area as a whole. Some joint and co-operative machinery must be devised to shorten the financial (no less than political) lines of communication, and to lessen the responsibilities of Britain.

Currently, Secretary Acheson, Paul Hoffman, and Averell Harriman are engaged in a valiant struggle to bring about at least a beginning of European integration. A frontal attack has failed. The program now is apparently less ambitious, aiming at the elimination of the worst intra-European trade barriers, coupled with some cooperation among the continental members of the Marshall Plan group.

However, the prospects inherent in a purely mechanistic approach, such as abolition of quotas, etc., are dim. The heart of the problem is the establishment, or restoration, of a pattern of continental-British trade which will satisfy two requirements. One is that Britain must have incentives to revive its traditionally high demand for European and other imports. This would help Britain maintain adequate standards of living, and provide by the same stroke ample markets for the brandies and silks of France, the fruits, vegetables, and woolens of Italy, the cheese, butter, and bacon of Denmark, and the specialized industrial products of Sweden, Belgium, and Switzerland. The other requirement is that, to the extent that Britain accepts a large trade deficit with Europe, and is unable to offset it through other kinds of transactions, it will not be permitted to suffer a drain of gold and dollars.

To reconcile those two requirements, which are patently contradictory, one has to accept the inevitability of a financial gap, which can only be filled with dollars. An increasingly large part of the ECA's "conditional aid"—that is to say of dollar assistance made conditional upon particular intra-European arrangements concerning trade and payments—could be devoted to the purpose. Or the International Monetary Fund, which was forced by circumstances to play a somewhat perfunctory part during the currency crisis of 1949, could step in.

In any case, the guarantee of ultimate convertibility given Britain's continental creditors through the use of special dollar funds could be surrounded by limitations and safeguards, such as those mentioned with respect to the redemption of the sterling balance's. Among other things, European countries could revert to the old practice of keeping a fraction of their currency reserves in sterling.

The American-British-Canadian conversations of September produced a document which outlined a comprehensive and coordinated—though in some major respects unavoidably incomplete—program of attack on the sterling problem. The talks were not, however, followed by concrete measures to indicate and dramatize the fact that devaluation was not being adopted in isolation from other joint A-B-C moves. The blueprint is still there; working groups are meeting in Washington and London, but there is a growing suspicion that the A-B-C statement may have been meant as an honest but ineffectual declaration of intent, rather than as a policy to be implemented by specific steps and programs. American policies appear to have reverted to the pattern of friendly but definite detachment followed by Secretary of the Treasury Snyder. The British government, on its part, apparently continues to have no objection to policies which, while limiting the range of American aid, also limit the scope of American intervention in British domestic and Commonwealth affairs.

Must one conclude that all parties are cheerfully resigned in advance to the inevitability of renewed major complications by 1950 or 1951?

—BRUNO FOA

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Recollections of a Nine-Day Celebrity

One Sunday morning not long ago I picked up the New York *Herald Tribune* and saw the unforgettable face of ex-Major George Racey Jordan. I read the major's charges that secret American documents and atomic-bomb materials had been flown to Russia with the connivance of Harry Hopkins. I read that a Congressional committee was going to start looking into the charges next day, and that the press and radio were heralding the fissioning of another first-class spy investigation. The pattern of accusation and denial seemed familiar. But—and here lay the cause for my surprise—so was the face. This time my old friend, the major, was making the accusations.

Putting down the paper, I thought back to the sunny fall day in 1944 when I went to a Harvard Club luncheon at the Annapolis Hotel in Washington, D. C., to meet and hear Major Jordan for the first time. The government agency for which I worked was interested in Russian matters, and had sent me to find out what he had to say. I remembered the powerfully built man in uniform, with a massive head, a jutting, freckled forehead, thinning, reddish hair slicked straight back, and a rather nasal, but convincing, voice.

He talked about the Lend-Lease pipe line to Moscow that went through Great Falls, Montana, and Fairbanks, Alaska, to ferry planes and equipment to our ally. He described the Battle of Stalingrad so vividly that I got the false impression he had been there.

At the end of Jordan's speech the old Harvard alumni stood and cheered this non-Harvard man. There was a war to win, and, by golly, we were winning.

But now, in December, 1949, the major was telling a new and strange story about what went through the Moscow pipe line. He appeared before the House Un-American Activities Committee on December 5 and made his charges under oath. The next day, at one of the largest press conferences ever held in New York, he provided banner headlines for the afternoon papers with his story of a radar-equipped C-47 going to Russia despite his efforts to get the radar removed.

As the days passed and the major piled one exposé on top of another, I began to reconstruct the incidents of our somewhat unusual acquaintance.

Not long after the Harvard Club speech, I had called upon him at his office in the Union Trust Building. There we discussed his dealings with the Russians, but he didn't add anything new. The major was quite excited about a business he had just entered. His partner, a manufacturer's representative in Washington, was, he said, making so much money that he had wired the major to come down from Great Falls, get out of uniform, and pitch in. Leaning back in his chair, the major told me enthusiastically that his part of the concern would soon be the tail that wagged the dog. He had already lined up five or six manufacturers who were paying him monthly retainers plus commissions to sell their products to the Russians. He assured me that he had excellent contacts with some of the top men in the Soviet Purchasing Commission. Opening a catalogue on his desk, he showed me the picture of a machine he was offering the Russians. They would need vast numbers of these in their postwar reconstruction program, he said. Of course, they wanted stripped-down models without the chrome and other ornaments.

I wondered then how the major had been able to get out of the Air Corps in the middle of the war, but I didn't ask him. His confidence about postwar trade with Russia seemed to jibe with predictions made by many Russian experts, in and out of government. It looked like a worthwhile business, and to me, a twenty-one-year-old, low-paid civil servant on the lookout for a new job after the war, the major looked like a valuable man to know.

During the next months I saw a great deal of the major. Several times I arranged to introduce him to friends who were working on Russian matters in various parts of the government. On one occasion, I invited a colonel from the Pentagon and a young attorney working on Lend-Lease to have lunch with the major and me at the Hay-Adams House. Though their names are fresh in my memory, I see no reason to drag them into the present melee, where any connection with the Roosevelt Administration, the Russians, or the war effort is pounced upon by certain segments of the press.

This particular luncheon took place around the middle of December, 1944, a good many months after the major had gotten to Washington and set himself up in business. It was a pleasant affair: the major, as always, was a delightful raconteur. This may have been the time he told the story of opening

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a Russian diplomatic pouch to find out what in blazes they were sending through in such bulk. He told of finding great quantities of publications—Department of Agriculture Bulletins, mail-order catalogues, etc. The point of his story was that the Russians had an insatiable urge to learn everything about us so that they could catch up. If he suspected then that "secret" classification markings had been clipped off the documents as he has recently charged, he did not say so. It was a good story, but in no sense a shocker.

Once, however, in the living room of the major's Washington home, which he shared with his second wife, Mona Gardner, the major told me a version of the radar story. It was an exciting narrative about planes coming through Great Falls bound for Russia with radar aboard. He had held them up and ordered the radar taken out. The incident lost some of its dramatic quality when the major added that radar was subsequently made available to the Russians. But it was a tale worth listening to over a brandy.

Months later—it was the spring of 1945—the major told me that he was having no luck selling goods to the Russians. It seemed that they regarded manufacturers' representatives much as they regarded ornaments on machinery—as something they could do without. But the major wasn't discouraged. He said he had a new project in mind and he wanted me to go in on it. His idea was to start a news-letter for American businessmen interested in selling goods to the Russians. The letter would give hints about what the Russians might want to purchase. For example, if they were restoring the streetcar system in Kiev, or had developed an induction-coil railroad in Moscow, the American businessman would pay to find out. Together we prepared a list of the available unclassified sources of information about Soviet economic development—a rather meager compilation that contained few sources the New York *Times* didn't rely on regularly. The major seemed certain that the scheme was good, telling me he had published a newsletter for businessmen once before.

That summer, with the war in Europe ended and my office beginning to cut operations, the major and I went to New York to try to sell the scheme to a rather celebrated public-relations counselor, whom Jordan said was an old friend. The publicist listened to us briefly and appeared totally uninterested. For a couple of weeks afterward, the major seemed to believe that we would get a favorable response any day. But no word came, and he finally ceased to talk about it.

I didn't see the major for a long time after that. It was January, 1946, when I bumped into him on 15th Street N.W., and he told me that he was working for a soybean flour corporation. He said his company had an exclusive process for treating soybean flour to prevent spoiling, that Herbert Hoover himself was interested in its use for the starving people of Europe and Asia, and that his company would get a cut on every bag sold. The major was as enthusiastic as ever.

I didn't see him again for almost three years. One morning in December a year ago, I found him eating breakfast at Marco Polo's, a restaurant on 42nd Street near Third Avenue. He introduced me to his new wife, a large, friendly woman, who, I learned from the newspaper clipping he showed me, was a countess.

A day or so later I met him eating breakfast alone at Marco Polo's. He told me that he was negotiating the merger of the soybean company with a larger outfit, whose name he didn't mention. If I wanted to make some quick money, he suggested, I should buy some stock from him. I checked with a friend who worked for an investment firm. He reported back that one of their brokers quoted the stock at a price far below Jordan's.

According to newspaper accounts, last August the major joined the American Pacific Industrial Corporation of 70 East 45th Street, as assistant to the president. The publicity release said that Major Jordan was formerly "United Nations Representative to the Soviet Union." The major later explained to the press that the Allies were frequently called the United Nations during the war.

The major's behaviour when I first knew him in Washington was not that of a man who had been "yelling my head off about what was going on" and "doing everything I could to obstruct the Russians." Instead, he set himself up to do business with the Russians and boasted of his friendly relations with them.

Before the House Un-American Activities Committee, he testified under oath: "I went to Washington and walked up and down the corridors of the State Department trying to find someone who would tell me that they [the suitcases] had diplomatic immunity. . . . I saw a John Hazard, the chief of the entire outfit, and he told me that everything was known in Washington and they understood thoroughly what was going on and there wasn't anything for me to worry about." John Hazard was not chief of anything in the State Department at that time: He was deputy director of the Soviet branch of Lend-Lease —not connected in any way with diplomatic pouches. He has said he does not recall having spoken to Major Jordan in Washington.

At his press conference the next day,

Wide World

George Racey Jordan

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the major stated: "I don't remember who I went to—John Hazard's office among others."

General Gaffney, the major's superior officer, told the press that the reports were a complete surprise to him, and Colonel Gitzinger, who supposedly ordered the ripping out of the radar, does not recall it. It has begun to look as if no one can confirm the major.

I was even more certain of this on Thursday, December 8, when I went to lunch at Bleeck's, a newspapermen's restaurant on West 40th Street, New York. Walking toward the back of the restaurant I felt someone grab my arm, and, turning, I saw the major sitting with two other men. I commented on his prominence in the news.

"Yeah," he said, "but they don't seem to believe me. You remember my telling you about all this, don't you?"

"Only a part of it, major," I answered. "Only a part."

Suddenly he grew excited. "Say," he asked, "who was that fellow in Lend-Lease you introduced me to?"

I named the young attorney who had been one of the luncheon companions at the Hay-Adams House.

"That's right! I've been trying to think of his name. I guess I was mistaken about talking to Hazard. That fellow must have been the one I talked to."

The instant I named my friend who used to work for Lend-Lease I regretted it. Of course, his name may never come up. On the other hand, the major, desperately seeking someone to substantiate his story, may drag him into the investigation. If he is ever called up, he will try to think back to his life in Washington as a minor official in Lend-Lease, not even remotely connected with diplomatic pouches, radar sets, or atomic bombs. He may vaguely remember a congenial ex-major whom he met one day at lunch. Perhaps he will even remember that the major was an exellent story-teller who talked of experiences with the Russians in Great Falls, Montana. But try as he may I don't think he'll be able to remember that the major gave him a report, official or otherwise, of grave misdemeanors involving the personal aide of the President. He, like all the others, will undoubtedly deny it.

—Douglass Cater

Republicanism: Dead or Alive?

Another election has increased the signs that the average voter is not very passionately attracted to contemporary Republican doctrine. A Republican with a constructive and positive record can win, as the success of Governor Driscoll in New Jersey shows. But Republican theory, as set forth in abstract form by Senator Dulles, neither arouses enough terror of welfare politics nor inspires enough hope to muster a dynamic following. The issue of statism, as voiced by the Republicans, seems about as persuasive today as the issue of predestination.

Fortunately for the future of the Republican Party, the orthodox and negative arguments of its chief spokesmen are not the only notes being sounded. Within the party there is a group that shows a genuine concern for the needs and expectations of the average voter. This group represents a minority, but by no means one without power. The fourteen Senators who, at the start of the Eighty-first Congress, backed Senator Lodge for policy chief; the twenty-four members of the House who, under the brilliant leadership of Jacob Javits of New York, lent crucial support to the housing bill; a handful of state governors; younger figures, like Oren Root and Philip Willkie—these form a seed of liberalism within the hard core of old Republicanism.

The amount of headway they make will decide whether the Republican Party is to go the way of the Federalists and the later Whigs.

Viewed in the light of sixteen years of exile, or even in the longer perspective of the years since the First World War, the prospects of the Republican liberals would not seem to be very bright. The progressive tendencies which went out of the party with Theodore Roosevelt in 1912 have never since been welcomed back. Hopeful insurgents like Wendell Willkie have been greeted by party regulars with a coolness that finds its latest expression in the treatment accorded Newbold Morris during the recent New York mayoralty campaign.

Through all this period a twofold tide of isolationism has been built up—isolationalism in international affairs and the even more fatal political isolationism which results from a too-close identification with the business and professional classes. The Republicans, in a word, have been in danger of cutting themselves off, not only from the world, but from the American community as well.

If these conditions were established in the frame and history of the party, the liberal wing could hardly expect to gain an upper hand. Republicanism, however, did not begin with Coolidge, and it need scarcely resign itself to having ended as a vital force with Theodore Roosevelt. In the record of the party taken as a whole there are precedents and examples which can not only sustain the liberals but can make the Old Guard's position seem a radical desertion of principle. It will appear inconceivable and pathetic, when these decades recede a little in time, that in the fervor of opposition the Republicans should have linked themselves in the public mind with timid inaction, with a cringing attitude before world responsibilities, and even with an evasive and over-technical stand on civil rights.

Whatever else may be said about the

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old Republicanism, the party was one that believed in doing things—even if the doing involved spending money and hiring enough people to run the risk of "bureaucracy." It was a party that carried nationalism to the point of mysticism and internationalism to the point of imperialism. It was a party with convictions as clear as day upon the cardinal question of the Negro.

Arthur Schlesinger, Jr. recently defended the welfare state by accusing the Republicans and their predecessors of having originated the idea of handouts and special privileges. Mr. Schlesinger is, of course, right. While the Democrats of the early nineteenth century were still calling for limited government, with "general" laws that applied to all alike, the Republicans' progenitors were frankly asserting that separate groups must be fostered and brought into harmony. The Whigs understood the principle of balance and adjustment in the social order; the Democratic theorists thought in terms of a simple and uniform society while the Democratic politicians were busy building up the mass state.

In the tariff, in the program of internal improvements, in land grants to the railroads, and in the homestead policies, the Whigs and Republicans developed principles that could be classified as preparations for the welfare state. The Republicans, as Mr. Schlesinger suggests, may be insincere in the horror they profess at finding their basic techniques adopted by the Democrats. But more regrettable than the alleged insincerity is the party's tendency to ignore its own tradition.

The charge against the Republicans is, at bottom, that they are willing enough to use the techniques of the welfare state to the advantage of business, but that they are not willing to use them for any other part of the community. In fact, however, no party in the United States has been, or ever will be, able to win victories and to sustain itself in power with the support of the business classes alone. There must always be a working arrangement with some other major group, and the Whigs and Republicans, no less than the Democrats, have been adept at forming profitable alliances.

The "American System" of Henry Clay was a broadly conceived and statesmanlike plan for favoring the East with a high tariff and the West with a program of internal improvements, binding them both to the Whig Party. In recent history, the competition of the two parties has been to get the support of at least one of the two major groups—the farmers and labor. It can be said that in the nineteenth century the Republicans won over labor, while the Democrats held the farmer. In the twentieth century the situation has been reversed. If today the Republicans stand in danger of permanently alienating both farmers and labor it can be attributed less to historical necessity than to blindness.

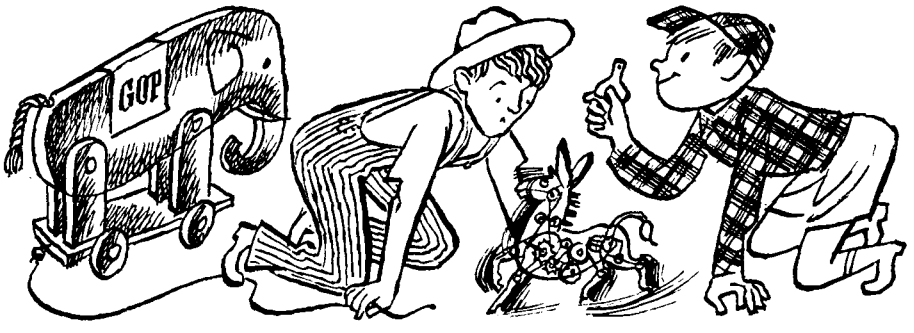
The idea that the Republicans are the conservatives was invented by the opposition, and it was accepted by those within the party who had lost their sense of origins and their sense of direction. The concern of the liberal Republicans is to accomplish the tasks that the conditions of the time impose, and to do it without the vagueness and the excesses of which they consider Democrats guilty. Important differences in principle between the parties will always emerge naturally, but to insist on difference at all costs is to place an abstraction above vital needs.

There remains one central field where even the most forward-looking of Republicans seem ill at ease and at a radical disadvantage—that of social welfare. For reasons that are evident enough, the major expectation of the modern citizen has come to be security through the changing circumstances and uncertainties of life. A party that proves incapable of meeting this expectation is, quite simply, doomed. Whether the Republican Party as a whole can meet it is highly problematical, and even the liberals seem to be severely handicapped in this field.

The reasons are not far to seek. Social welfare has taken the center of the stage since the long Republican exile began. During the years when the emphasis switched to safeguards against unemployment, sickness, old age, and other disabilities, the Democrats were in the saddle, riding the new issues for all they were worth. The Republicans, on the sidelines, denounced every move as being extravagant or socialistic. Without precedent to guide them, and without the compulsion to find fresh solutions, they took refuge in negations. Today, when the Republicans do make tentative and feeble gestures in the direction of social welfare, they are appalled by the thought that they are merely copying their adversaries.

The Republicans, besides, have found something in the concepts of "security" and "welfare" that goes genuinely against the grain. In part, no doubt, they have fallen victim to their own propaganda, supposing that old-age or unemployment insurance really do "take the adventure out of life." In part they have forgotten that they are themselves hedged about in most cases by the most iron-bound safeguards against life's contingencies, not infrequently including an ample and noncontributory pension plan. No matter how much they might themselves depart from their free-enterprise ideals—curbing competition, hankering for protection and monopoly—they have still believed them inherently good.

Finally, the Republicans have feared the economic implications of welfare schemes. The tired businessman may say simply that the government is spending too much money and is bound to go broke. But the real complaint has been the tendency to siphon off an increasing portion of the national income into fixed costs and nonproductive expenses. The difficulty of setting limits to expenditures in this field, the inescapable political pressure for mounting pensions and premiums, has



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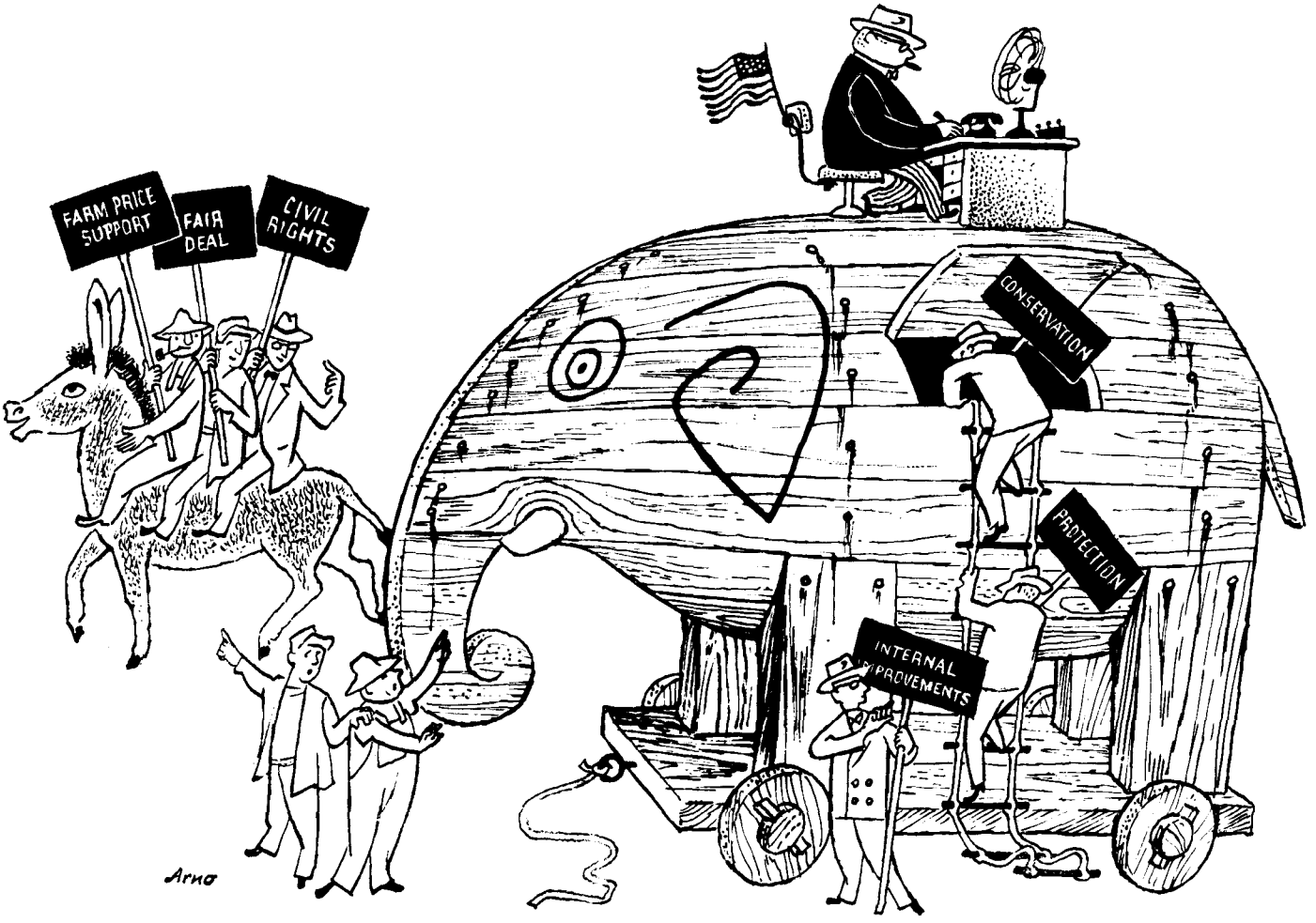

led some Republicans into the false position of opposing everything.

Undoubtedly the best example of how a middle way in welfare can be worked out, answering unappeasable demands and at the same time conforming to Republican tradition, is found in the area of health. Until last winter, the Democrats had the field virtually to themselves. Truman's plan for universal compulsory insurance threatened to place overwhelming commitments on totally inadequate health facilities and to pile up costs unpredictably. Yet in opposition to this the Republicans seemed content to cry out against "socialized medicine" and to ignore the underlying need.

At this point a group of liberal Republicans in the Senate and the House introduced what is now referred to as the Ives-Javits bill. The bill is important for several reasons. It marked the first joint action of a group of men who are profoundly convinced that as good Republicans they can and must find the answer to an undeniable need. It was the product of hard-headed and thorough research—the cost of which was borne by disinterested Republicans outside the regular party organization. Above all, the bill caused people for the first time to pause and reconsider the sweeping Truman plan.

The details of the bill are complex, and unimportant to our argument. It is based on co-operation between the government and the private insurance schemes, which now cover, at least partially, more than sixty million of the population. The premiums of those in higher income brackets pay in part for the services received by those in the lower brackets. Thus everyone who chooses to be insured pays roughly according to his ability, with services rendered according to need, and with the government acting as a kind of balance wheel and making up the deficit. What is important for the moment is that the bill shows that the Republicans, even in this field, needn't lack alternatives.

The lesson thus demonstrated can undoubtedly be applied in other areas where the Democrats have hitherto carried the day by default.

Are the liberal Republicans merely men who have gotten into the wrong party and for one reason or another can't get out? Our answer must be that these Republicans are nearer to the tradition and spirit of their party than the present generation of Martins, Tabers, Wherrys, and Kems; and that even in the field of social welfare, where they have been most handicapped, they have a wide opportunity.

The future conceals much; but at least it is now plain that the negative slogans framed by the Republicans during the period of opposition are not an adequate basis for recapturing national power. Economy—for its own sake; efficiency—without defining the ends which efficiency should serve; state rights—without regard to nation-wide needs: These and other hollow shibboleths are ready for abandonment. If the liberal Republicans will grasp the insights and examples of their own party, they have every hope of outwitting the Old Guard. They even have a chance of winning an election.

—August Heckscher

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Books

Southeast Asia—Our Move

The American attitude toward imperialism and colonialism has been characteristic of most American attitudes to the external world. Its simple-minded self-satisfaction is summed up in the incident of the clubwoman who rose, bristling with indignation, to ask a British lecturer what he had to say about "the two centuries of ill-treatment which the Indians had received." "Madam," the lecturer replied mildly, "as a guest in your country I can hardly allow myself to comment upon that."

We are anti-imperialist because we were ourselves once a colony, because we have sent more missionaries than traders to heathen parts, because we did our land-grabbing and colonizing on our own continent, and because our overseas "possessions" were never an important element in our economy. Yet we have gradually become aware that buffers and outposts are essential to our national interests—whence the Monroe Doctrine, the Open Door policy in China, and our acquisition of Pacific islands—to mention only those. Now that we have become a first-class power—and now that no balance of smaller powers, in the European style of the last three centuries is feasible—we have had to invent instruments of security hitherto unknown. In Europe and the Mediterranean East we have embarked upon a policy of Russian containment and are carrying it out with the aid of the Truman Doctrine, the Marshall Plan, and the North Atlantic Pact and armament protocol. In the Far East we—but at this point our fluency deserts us; we are brought up with a jerk and are forced to ask ourselves, "Well, what about the Far East? What *are* we up to there?"

The answer to that question will presumably come as answers to similar questions have come in the past—when the Administration is driven by the sudden challenge of events into taking a clear position and making that position plain to the world. A bystander may meanwhile remark that China is not the whole of the East, and he may even draw this rough analogy: If Communist China is the "Russia" of the new Asia, and India is its "western Europe," then there dangles below China a counterpart to the Balkans in the region known as Southeast Asia. While India is thought of as safely neutral (at the worst) and China is the subject of grave concern, the six disparate lands of Southeast Asia—Burma, Thailand, Indo-China, Malaya, The United States of Indonesia, and the Philippine Republic—cannot be allowed to slip out of mind. If they were to drop into the gaping Communist maw, significant resources would come into the hands of our ideological enemies: both the Antipodes and our own Pacific outposts would be directly threatened; we at home would experience the discomfort of devoting to armament an even larger share of our national product than now, with such unwelcome social changes as that might bring about. Other more problematical results could be cited, but on this calculation alone Southeast Asia becomes an Oriental equivalent of Greece and Turkey, another crucial point of Communist containment.

Must the groaning taxpayer assume still another burden abroad? Only in a manner of speaking. The position is not so menacing as to suggest the fantasy of arming millions of these Asiatics, nor is their economy the kind to which a Marshall Plan could be applied.

We are here in a strictly colonial region whose leaders are "anti-capitalist"—especially in the sense of anti-imperialist—and have repeatedly fomented revolt against European rule; but none of those leaders, not even Ho Chiminh of Indo-China, who was trained in Russia, has shown himself subservient either to Moscow or to the new and prodigiously ambitious strong man of the East, Mao Tse-tung. It is satisfactory to read that at the recent Peking "trade union" meeting of Asiatic Communists, Nehru of India, Thakin Nu of Burma, and Soekarno of Indonesia were denounced as capitalist beasts, while the Dutch-Indonesian settlement had the honor of excoriation from the Ukrainian delegate to the United Nations on December 12. We may hope that an equally reasonable settlement will be reached between the French and those Indo-Chinese represented by Bao Dai, who, in spite of what the Communists may say, is a nationalist, not a mere puppet.

The People's Party in Thailand is not Communist; its aim is radical agrarian reform and the elimination of the Chinese middle-men who control the essential rice trade. In Malaya, a British protectorate, the position is more complex. There is the classic rebellion against the Europeans who own the tin mines and rubber plantations, but there is also racial conflict betwen the native Malayans, who constitute a minority in their own land (forty-two per cent), immigrant Chinese about equal in number, and Tamils from India, who make up fourteen per cent of the peninsula's population. This is obvious breeding ground for Communist agitation, but so far there hasn't seemed to be any highly organized action.

The Filipinos may be said to be the only people in the East who believe profoundly and instinctively in democratic institutions, although the sugar workers in particular have been victimized as outrageously as any of the Southeast Asiatics. Here, fifty years of

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American education have been effective.

With all this, however, there remains a Southeast Asia problem; and if, as has already been said, it is not a problem to be solved by an arms pact or the Marshall Plan, it is one to be dealt with by means of another instrument designed in Washington—Point Four.

The essentials of the problem have been surveyed in *Agrarian Unrest in Southeast Asia* (Columbia University Press, $4) by Erich H. Jacoby, who spent four years in the Philippines and taught at Adamson University in Manila. Mr. Jacoby is primarily concerned not with politics but with the realities which account for politics. In this part of the world, they are land tenure, rural debt, and population pressure. Mr. Jacoby has brought together a mass of data so detailed that his story can be told only by way of suggestive samplings. On population pressure and the food supply, he is almost consoling. It would appear that only in Java has the Malthusian danger-line been reached.

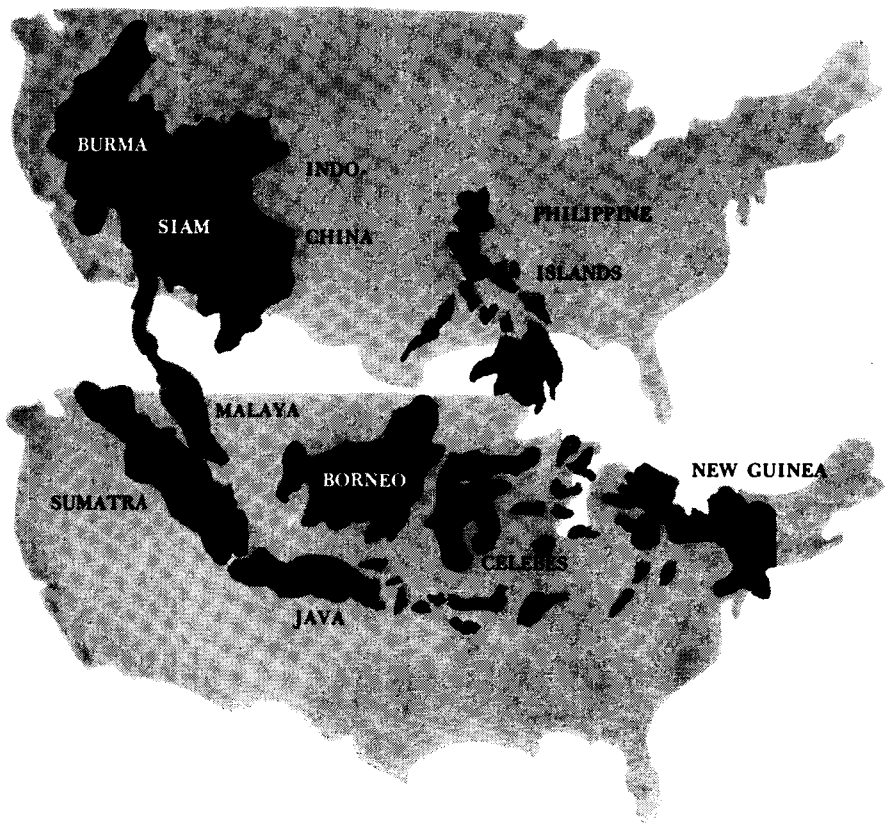
There is great overcrowding in Tonkin (Indo-China), and the peasants strongly resist the notion of leaving the place where their ancestors are buried, even for better farms; but Thailand is underpopulated, there is no pressure in Malaya, there has never been a food shortage in Burma; and in all three countries vast tracts of arable land are still available for cultivation. What is more serious is the present need for greater diversity of crops almost everywhere, and particularly in the rice-producing areas, where, because only one crop is planted, millions of men are idle four months or more out of the year.

Credit has been the keenest problem ever since the Europeans introduced a money economy and allowed Chinese middlemen and Indian moneylenders to operate where only government lending institutions should have been permitted. Such institutions do indeed exist. But in Malaya they were provided "with by-laws rather than with funds", in Indo-China they lent only to the big landowners on favorable terms, and left the peasants to the moneylenders; in Burma they loaned an average of only two million rupees a year from 1919 to 1939 as against five hundred million extended by the Indian bankers at sixteen to thirty-five per cent (on three-year mortgages), while "outside lenders" furnished small loans in uncalculated amounts at seven to fifteen per cent per month.

Small wonder that in one Tonkinese district 252 persons owned as much land as 122,000 others, that in Lower Burma half the rice lands were owned by "nonagriculturists." Most people in this part of the world are sharecroppers, working land which is only nominally their own and actually the moneylender's, and casual laborers. In Lower Burma, for example, there are many migrating tenants, homeless and even villageless, and therefore cut off from all social codes and moral restraint. The incidence of crime is as high in Lower Burma as anywhere in the world, but violence is rare in Upper Burma—and in the Shan States of Malaya, in Cambodia, in the "outer islands" of Indonesia, in Thailand, and wherever the European planter and Asiatic moneylender have not been.

This is what happens when employers are not "interested in a stable labor force." It is this that explains a "permanent political unrest and . . . the existence of an agricultural proletariat" in Indo-China. The problem is not merely one of restoring stolen lands to their owners, and of creating landowners who, since their livelihood will come from the land, and not from loans, will tend that land as it should be tended. The problem is to rebuild a series of societies that do not depart too far from the traditions of the men who constitute these societies.

Southeast Asia is very obviously participating, through its leaders, in the universal social mutation (if that word be preferred to revolution). It is a slum that has decided to clean its own house. Who will win its allegiance, the Gas House Gang or the reform administration? Certainly the vestrymen of the uptown church—the imperialists—have lost it. The only answer that sense dictates is a rational and by no means extravagantly costly application of Point Four. The managers of the Bold New Program will find Mr. Jacoby's book the best over-all study of its subject, though statistically not up to date. I regret to have to say that it is too highly specialized for the general reader. —Lewis Galantière



Southeast Asia superimposed on two maps of the United States

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Letters

To The Reporter

Nothing Unusual

To the Editor: It seems to this Southern editor that Llewellyn White handled his "No News from Richmond" (page 22, your November 22 issue) assignment admirably.

Roanoke is proud that the Negro attorney on Richmond's City Council was born and raised here.

It might also interest you to know that we have had a prominent Negro dentist on our city school board for several years—an appointee of the council. There also are several Negro police officers who are making good, much to every citizen's pleasure.

Last March the city passed a $4,200,000 bond issue for new schools. Top priority item on the list was one million dollars for a new Negro high school. When complete it will be far more modern and comfortable than the white high schools.

This community prides itself on the sensible co-operation between races, and sees nothing unusual about it.

M. Carl Andrews
Roanoke, Virginia

'What We Stand For'

To the Editor: Why don't you have reprints made of the editorial "What We Stand For" in your December 20, 1949, issue, and enclose them with cards announcing the receipt of a Christmas-gift subscription? In my opinion, it is an excellent editorial, and would make a good prospectus for new readers—even better than your first one.

Diana Stewart
New York City

[*We are following Miss Stewart's most helpful suggestion.—The Editors*]

Blame the British

To the Editor: The article "With or Without Britain" on page 21 of your December 20, 1949, issue shows that your correspondent Flavius is following an old continental tradition: If anything goes wrong, blame the British.

In the course of the past fifteen years, we have seen Britain, at various times, blamed for: not intervening in the war in Spain; intervening in the war in Spain; rearming; not rearming fast enough; not going to war over Czechoslovakia; going to war over Poland; not being able to retaliate for the bombing of London; retaliating too hard for the bombing of London.

I have even heard brassy German sympathizers "exonerate" their "poor Germany" and place all war onus on the British "for allowing Hitler to come to power!" Now your Flavius again blames the British—this time for allegedly obstructing European union. The only thing the British don't get blamed for is standing alone against Hitler's might in 1940-1941. The world seems to have forgotten that.

But if a gossamer French Government blows apart, if the crops fail, if your children are naughty, or the weather bad—the British are behind it! The late Don Marquis wrote a phrase that might well be applied to the many continentals who have fallen into the blame-the-British habit: "The great Alibi Ikes of the Universe."

Bertram Henry
Flushing, New York

Diplomatic Representation

To the Editor: I feel constrained to express my wonder at your short article entitled "The Ambassador" (September 13, 1949, page 20) in which the argument runs that the United States has erred in removing its diplomatic representation from Spain and has thus deprived itself of both a means of communication with the people of Spain and a source of information about them.

Two statements in particular ("We have withdrawn from Spain. . . . The case of Spain seems the perfect example of the utter futility of the policy of breaking relations . . .") indicate that you are under the impression that we have no diplomatic representation in Spain. This, of course, is not true. We have not broken relations with Spain, and we are represented by a sizably staffed embassy in Madrid (minus, it is true, an ambassador), operating much the same as any U. S. diplomatic office in any other part of the world. Further, according to the latest *Foreign Service List* (October 1, 1949, U. S. Government Printing Office) we also have consular establishments at Barcelona, Bilbao, Málaga, Seville, Tenerife (Canary Islands), Valencia, and Vigo. It seems to me that these offices fulfill both functions of communication and information.

If, however, as I surmise, your argument would now be, but for other reasons, that we have erred in failing to name an ambassador to Spain even though retaining our diplomatic and consular offices, I should like to invite your attention to the statement made to the press on May 11, 1949, by Secretary of State Dean Acheson. He made a number of remarks which are very much to the point and which I think you have overlooked. Following is an excerpt:

". . . in and of itself this question of whether or not ambassadors, as distinct from chargés d'affaires, are in Madrid is a matter of no real importance at all . . . this question . . . arouses a great deal of emotion . . . because it is a symbol of something else. The reason the 1946 Resolution [General Assembly of the United Nations] was passed is rooted in history . . . having ambassadors . . . is important only if it becomes a symbol, and if it becomes a symbol . . . of the fact that after all we don't care much about [individual] rights, then it is a bad symbol. If it ceased to be a symbol it wouldn't make any difference to anyone whether you had an ambassador or whether you didn't."

Rufus Z. Smith
Balboa, Canal Zone

Contributors

As a war correspondent, Jack Belden covered campaigns in China, Burma, North Africa, and Sicily. He was badly wounded with advance elements of the 36th Infantry Division at Salerno September 9, 1943, but recovered in time to see the fighting in France and Germany in 1944-1945. Afterwards, anxious for a first-hand look at the thing convulsing China, he spent many months behind the Communist lines gathering material for his most recent book, *China Shakes the World*. Sesame Garden, the village of his *Reporter* story, is a real one. Its people, and the events he relates, also are genuine; only the names have been changed. . . . Edgar Snow, an associate editor of *The Saturday Evening Post* and author of *Red Star Over China*, probably knows Mao Tse-tung better than any other western correspondent. Snow met Mao in 1936. . . . James Burke recently returned from Peking, whence he was filing dispatches to *Time* and *Life*. . . . Otto van der Sprenkel is back from a two-year stay in Tientsin as a visiting professor at Nankai University. . . . Derk Bodde is assistant professor of Chinese at the University of Pennsylvania. . . . John K. Fairbank, a professor of Far Eastern History at Harvard, once headed OWI operations in China. . . . Geoffrey Sawer teaches law at the Australian National University. . . . Bruno Foa, who wrote *Monetary Reconstruction in Italy*, is a consulting economist. Cover by Dong Kingman. Inside cover photographs and photographs on pages 4–25 by Henri Cartier-Bresson—Magnum.

The Editors

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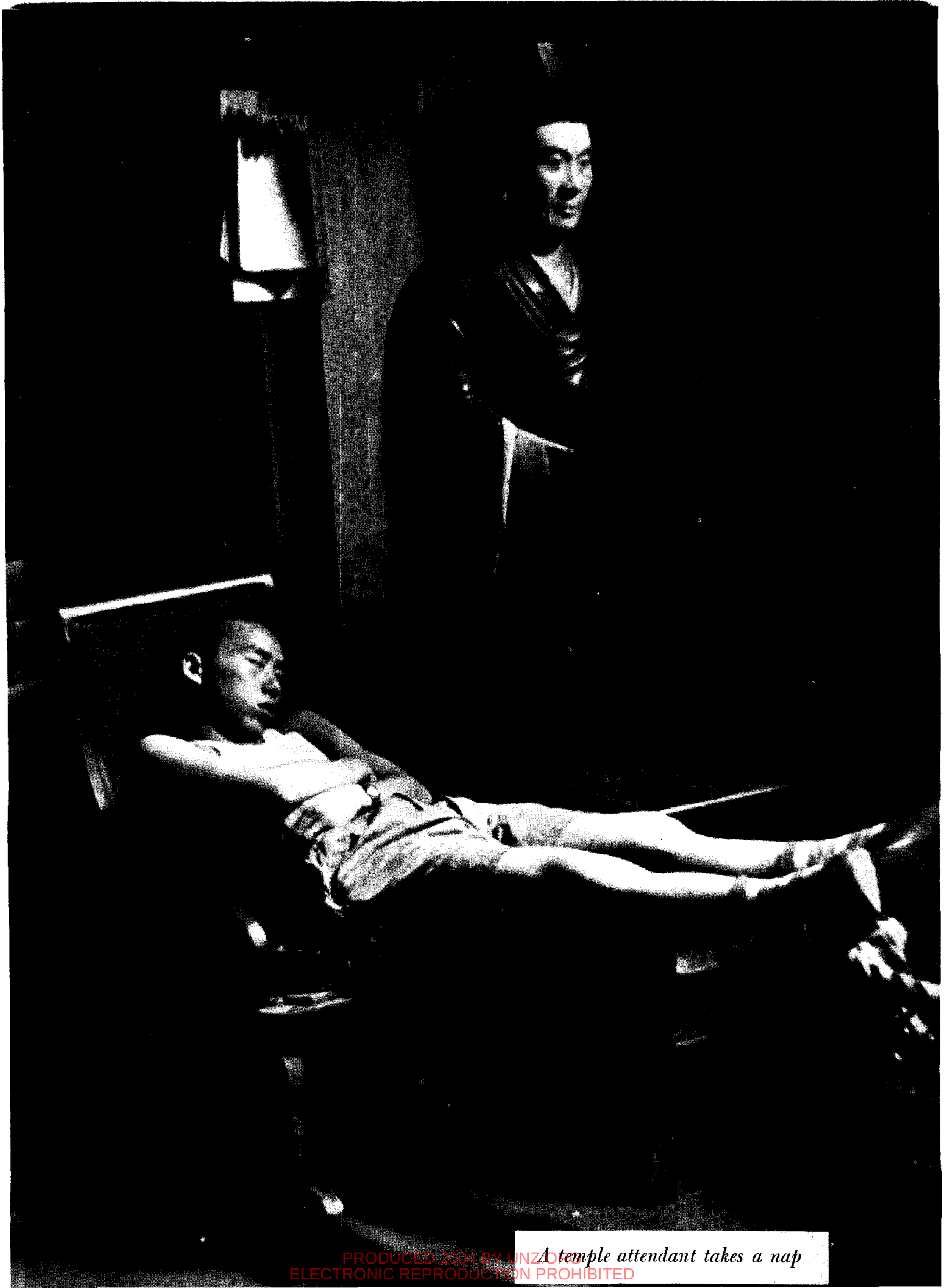

A temple attendant takes a nap

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NEXT ISSUE

OUR FOUNDING UNCLES

AND

THEIR PRESENT-DA DESCENDANTS

WARD-HEELERS LOGROLLERS POLITICAL BOSSES

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